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USSR Report

CONSUMER GOODS AND DOMESTIC TRADE



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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

GROWTH IN PRODUCTION OF NON-FOODSTUFFS EXAMINED

Moscow IZVESTIYA AKADEMII NAUK SSSR: SERIYA EKONOMICHESKAYA in Russian No 3, May-Jun 86 (6 times per year) pp 48-54

[Article by B.A. Solovyev and D.A. Rubvalter: "On the Development of Non-Food Consumer-Goods Production"]

[Text] Adoption of the Comprehensive Program for Developing Consumer-Goods Production and the Services Area for the Years 1986-2000 has great significance for implementation of the party's socio-economic policy, and for raising the Soviet people's standard of living. The program represents a fundamentally new approach in planning the production and sale of non-foodstuffs and services, involving their comprehensively coordinated and thorough consideration within the framework of a single section of a plan. The sector approach, in which light and local industry, trade, and personal and municipal, medical, and other kinds of services to the population are considered in isolation, is replaced by a program approach permitting better concentration of the resources necessary for purposes of satisfying the Soviet people's needs more fully. The program's specific purpose is to increase consumer resources, by the year 2000, to a level corresponding to modern concepts of efficient consumption standards for the majority of commodity groups and the bulk of services. For this, as early as in the 12th 5-Year Plan, the assortment and quality of goods and services must be improved radically, and the imbalance between supply and demand eliminated in both overall volume and basic commodity groups: food products, light-industry articles, and goods for cultural-personal [kulturno-bytovoye] and household use.

Substantial changes have taken place in the consumer-goods market in the 1980's. Initial demand for non-foodstuffs largely has been filled, secondary demand for replacement has been acquiring greater and greater relative importance, and transition to the satisfaction of a higher order of needs is taking place. This is related to both growth in the supply of goods and significant increase in personal incomes. Whereas only 18 percent of the population had an income higher than 100 rubles a month per family member in 1970, the figure in 1984 already was 60 percent. The population's real income had increased by almost 60 percent during the indicated period. A new type of consumer behavior took shape, more deliberate and selective, and aimed at satisfying needs in high-quality goods and services. Nevertheless, it cannot be said that the situation in the domestic market was normalized fully and a stable trend of movement

toward making consumption efficient ensured. The situation in the market remains highly contradictory. Along with the overall growth in production of consumer wealth, the assortment structure imbalance has been increasing, especially in territorial cross section for specific consumer groups. The group of goods for cultural-personal and household use, the share of which grew from 16.6 percent in 1970 to 23.7 percent in 1984 in retail goods turnover, has particular significance in implementing the program.

The steps being taken in accordance with the CPSU's fundamental instructions to accelerate socio-economic development are not, of course, solely the prerogative of the machine-building and other sectors determining the society's scientific and technical potential. They encompass the entire national-production evolution [vosproizvodstvennyy] cycle, including the sectors providing for the satisfaction of social needs: group "B" industries, trade, the services area, etc.

Scientific and technical progress in the areas of production and sale of goods finds its expression in new kinds of articles and the introduction of new technologies for their manufacture. Whereas the degree of achieving an efficient supply standard amounts to 80-90 percent for many goods (television sets, refrigerators, clocks and watches, washing and sewing machines) under existing circumstances, the population needs truly new merchandise, fundamentally different from the existing. Thus, for television sets (practically every family, 96 out of 100, is provided with them in the assured television-reception zone), over 80 percent of the purchases will be made to replace old models by the end of the 12th 5-Year Plan according to a forecast. In this connection, the need is growing for new television models that are fundamentally different from those being replaced in image quality, power consumption, weight, reliability, sizes, and esthetic properties. During the last 10 years, promising new durable goods have come onto the country's market: videocassette recorders, videocameras, tuners, equalizers, television games, color television receivers with a wide range of accessory devices, automatic washing machines, refrigerator-freezer combinations, microwave ovens, etc. Annual sales volume of the new goods amounts to 3-4 billion [milliard] rubles, or about 1 percent of goods turnover, according to the appraisal of specialists. Naturally, this is entirely inadequate to ensure the intensification of production and sale of the goods and the attainment of high goods-turnover growth rates. The new goods have not yet become an effective and realistic stimulus in satisfying the population's needs and demand. The 1985 inter-republic wholesale fairs for cultural-personal and household goods revealed no fundamental changes in this matter. There was only 6 percent of the goods supplied by industry that could be considered new to any extent.

Production growth rates of cultural-personal and household goods (in percentages relative to the preceding year) amounted to 107 percent in 1981, 104.7 percent in 1982, 106.2 percent in 1983, and 104 percent in 1984. These insufficiently high and fluctuating production rates also occasioned corresponding turnover rates for cultural-personal and household goods, which, in their turn, caused a lowering of growth rates in overall volumes of goods turnover as well. As a

result, the average physical volume of retail goods turnover per person grew by only 3.3 percent, on the average, during the years 1976-1984, which obviously is insufficient to provide for supply and demand equilibrium. There also exists a substantial assortment and quality disparity between cultural-personal and household goods production and population demand.

The cause of such a situation, first of all, is an ill-considered assortment policy on the part of the leading [golovnyye] industrial ministries (responsible for the production of certain goods), which, just like trade, continue to be oriented upon the average consumer. Meanwhile, the average consumer does not exist. There are retirees, children, young people, and middle-aged persons, who differ in levels and sources of income, and in social position. This must be reckoned with in planning the production and sale of goods, establishing pricing policy, etc., by developing assortment concepts and programs.

Experience in preparing such programs has been acquired in the GDR, the CSSR, and certain other European socialist countries. The need to develop assortment programs as bases for the plans of the appropriate industrial sectors and departments is pointed out in the Comprehensive Program for Developing Consumer-Goods Production and the Services Area for the Years 1986-2000. Formation of the assortment programs must be based upon profound consumer-behavior research and development of a consumption typology.

A prominent position in implementation of the Comprehensive Program for Developing Consumer-Goods Production and the Services Area for the Years 1986-2000 belongs to matters of improving or, more precisely, reorganizing the economic mechanism for the production and sale of goods. First of all, this has to do with organizing the production of goods for cultural-personal and household use on the principle of the leading ministries establishment. At the present time, goods for cultural-personal and household use are being put out by more than 60 ministries and departments, 30 of which are leading ones for output of the products assigned to them. In accordance with the CPSU Central Committee and USSR Council of Ministers decree of 12 July 1979 on improving the economic mechanism and the Regulations Concerning Leading Ministries, the latter have been assigned functions in satisfying the population's needs for the products being put out, and in establishing a uniform scientific and technical and assortment policy, regardless of where these products are being put out--within a leading ministry or not.

So far, the leading ministries are not dealing with the full range of these functions, which, of course, has an effect upon the level of satisfaction of the population's needs, the domestic market's condition, and the production and introduction into the market of new goods. There are several reasons for this, and they are of differing merit.

First of all, there is imbalance in the leading ministries' rights and obligations. After all, they plan and manage allocated capital investments, raw-material resources, etc., only according to their own ministry's system. This, however, is not the whole point.

Establishing a uniform scientific and technical policy apparently requires a change in the approach to formation of the very concept of "leading ministry." It would be more advisable for there to be a leading ministry, not for a good (For example, the Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] is the leading ministry for electric irons, although 60 percent of these are put out by the Minelektrotekhprom [Ministry of the Electrical Equipment Industry], and, at the same time, there is no ministry responsible for all electrical goods as a whole), but for consumer systems. Indeed, consumer systems, characterizing the satisfaction of a correlated system of needs, should be adopted as base, and the commodity groups added on under them.

Such systems are rather stable, and they will exist even in the long-range future, whereas many specific goods may be exchanged for more improved ones. Starting with the classification of industrial goods by purpose and the list of leading ministries for individual goods of cultural-personal and household use, we have proposed establishing the assignment of consumer systems to leading ministries. In so doing, four major systems for non-foodstuffs, characterizing all aspects of a person's life, were taken as base: providing comfort in everyday life; housekeeping (performing the household production functions in everyday life); recreation, leisure, and creative activity; and transportation. More detailed subsystems, describing the set of goods fulfilling the systems' individual functions, were defined within these systems. For these it was proposed to single out leading ministries--to assign the 33 subsystems, in all, to 19 ministries. Meanwhile, there are 30 leading ministries at the present time just for cultural-personal goods. But the point here is not so much in reducing the number of leading ministries as in changing the principle of their formation. Upon the assignment of a certain subsystem to a ministry, the latter would be responsible for the output of goods providing for fulfillment of the defined functions in a person's life activity and satisfaction of the system of correlated needs. For example, in using this approach, the Ministry of Machine Building for Light and Food Industry and Household Appliances would become the leading ministry for production of the objects and means for storing products and processing and preparing food; the Ministry of the Electrical Equipment Industry--for objects and means for maintaining home microclimate and hygiene; the Minselkhoz mash [Ministry of Tractor and Agricultural Machine Building]--for objects and means for landscape and vegetable gardening work; the Minstroy materialov [Ministry of the Construction Materials Industry]--for objects and means for construction and repair work; and so forth.

The advantages of forming leading ministries for consumer systems are especially perceptible in planning for new goods. In this case, a good's belonging to a leading ministry would be determined by the functions being fulfilled by the good, and establishing such association should encounter no difficulties. Under the state of affairs existing at the moment, the absence of a good on the list assigned to the leading ministries means, for all practical purposes, its lack of sponsorship.

It is advisable to expand the rights and functions of the leading ministries simultaneously with the transition to planning by consumer systems. The leading ministries should be charged with developing consolidated current and future plans (in physical and cost figures) for the consumer systems and the individual goods entering into a system, with the apportionment of quotas for individual ministries (departments); managing capital investments and raw-material resources within limits allocated by the USSR Gosplan [State Planning Committee] for a system as a whole; and forming assortment and scientific and technical policy, which finds reflection in specific assortment programs and long-term agreements between management organizations of industry and trade, for a system as a whole.

In order to create conditions for accelerating the remodeling of complex personal equipment and financing the scientific-research and planning and design developments, it is advisable to establish special funds under the leading ministries for the purpose of offsetting increased costs in the first years of developing and mastering new goods (similar to the unified science and technology development fund for means of production).

Apparently, it also is necessary to broaden substantially the functions of the leading ministries in price formation, authorizing them, in coordination with the USSR Goskomsen [State Committee on Prices], to set wholesale and retail prices for new goods, assign the index "N" to goods, and so on, using for these purposes, insofar as possible, experience from conducting economic experiments in light industry, particularly in the Estonian SSR. In our opinion, substantial expansion of the practice of the setting of contract prices directly between management organizations of trade and industry also should be undertaken, extending the practice to goods of cultural-personal and household use as well, and not just to light-industry goods as is taking place at the present time.

Also a serious factor delaying the introduction of new goods into the market is the lack, at present, of a scientifically sound economic incentive system based upon determining the socio-economic effectiveness from their use.

This problem is insufficiently worked out for consumer goods. The existing all-union methodology for determining the economic effectiveness of new equipment is oriented mainly upon means of production, which is stressed even in the text of the methodology itself. (Footnote 1) ("Methodology for Determining the Economic Effectiveness of the Use in the National Economy of New Equipment, Inventions, and Efficiency-Expert Recommendations," Moscow, 1977)

The economic effect [benefit] from the production and use of new consumer goods, according to this methodology, is determined, a priori, by the higher price assigned, whereas, for means of production, calculation of the economic effect is the base for setting prices on new equipment and establishing economic incentive funds; that is, it lies at the base of price setting and economic stimulation.

Such differences between consumer goods and means of production, in determining economic benefit, often are based on the former's consumption features, the role of the social factor, the difficulties stemming therefrom in calculating socio-economic benefit, and the frequently noneconomic nature of the benefit, expressed in the saving of off-work time, the easing of housework, etc. For example, according to specialists' estimates, a set of modern household electrical equipment provides a saving of approximately 700 hours per year in the population's housework time.

At the same time, it is possible and advisable to calculate economic benefit for a number of consumer goods, especially complex personal equipment, using the all-union methodology. As you know, at its base lies the calculation of two equivalence coefficients, a_1 and a_2 , the first of which expresses the new product's labor productivity, and the second--its durability in comparison with a base product. The second coefficient has no less significance for consumer goods than for means of production, inasmuch as it permits reducing the quantitative requirement for goods and, accordingly, the material resources to produce them (within optimum limits, of course, and taking the obsolescence factor's effect into account). Equivalence coefficient a_1 also may find application to many kinds of personal equipment, especially to products of mixed use, capable of being used both as consumer goods and means of production (refrigerators, lighting fixtures, electric light bulbs, primary electric cells and batteries, etc.). For example, their capacities in liters may be entered as a parameter of refrigerators' a_1 . The saving of time spent in housekeeping, etc., may be entered as an a_1 parameter.

Thus, for a number of goods of cultural-personal and household use, their socio-economic effectiveness may be calculated even now, which creates a basis for increasing the scientific soundness of price-setting for these goods. At the same time, for the majority of the goods, it is extremely difficult to evaluate the socio-economic benefit from their use quantitatively. In this case, when determining socio-economic effectiveness, one should start with the minimum of costs in achieving the same result as the good adopted as standard.

The solution of this scientific problem has particular significance in connection with the initiated implementation of the Comprehensive Program for Developing Consumer-Goods Production and the Services Area for the Years 1986-2000, which calls for the appearance in the long-range future of a large number of fundamentally new consumer goods.

To their number, first of all, should be attributed the production of multi-purpose fixed systems unitized by common control: modules for storage and initial and heat processing of food, for doing the laundry and the dishes and disposing of wastes; modules for cleaning up living spaces and creating a microclimate; an audio and video information system, etc.

Production of new goods must grow 8- to 10-fold by the year 2000, which, naturally, presupposes the establishment of a flexible, carefully thought-out assortment policy and thorough consideration of the needs and demands of all

consumer groups. In the CPSU Central Committee and USSR Council of Ministers decree on development of the Comprehensive Program for Developing Consumer-Goods Production and the Services Area for the Years 1986-2000, and in the text of the program itself, great attention is devoted to raising the level of scientific methods for studying, forecasting, and shaping the population's needs and demand as the basis for adopting planning and commercial decisions; and to establishment on this basis, as early as in the 12th 5-Year Plan, of a Statewide System for Studying and Shaping the Population's Needs for Consumer Goods and Services. Development and introduction of the system will permit fundamentally improving the work in demand forecasting, both in trade and industry, and shift it to a modern footing, using the latest electronic-computer-technology means extensively and everywhere.

You know that certain work in this area has been carried out in the country in recent years. In enterprises and state and cooperative trade organizations, and in some industrial ministries, a network of demand-study services has been established. The Interdepartmental Council for Consumer Demand Research is functioning under the USSR Mintorg [Ministry of Trade]. Elements of the scientific organizations of the USSR Mintorg, the Tsentsosyuz [Central Union of Consumers' Cooperatives], the Minlegprom [Ministry of Light Industry], the Minpromsvyazi [Ministry of the Communications Equipment Industry], the Minradioprom [Ministry of the Radio Industry], the Minelektrotekhprom [Ministry of the Electrical Equipment Industry], the Minpribor [Ministry of Instrument Making, Automation Equipment, and Control Systems], the Minnestprom [Ministry of Local Industry], and a number of other leading industrial ministries have developed, and presently are introducing, a set of standards and methods documents on studying and forecasting population demand in industrial sectors producing and selling consumer goods.

However, it is necessary to say frankly that the practice which has taken shape for studying the population's demand for goods still does not meet modern requirements. One cannot agree, for example, with the work's being organized on the sector and department principle and focused primarily upon trade. Certainly it is wrong that the majority of the leading industrial ministries directly responsible for supplying the population with goods assigned to them stands aloof from this work. Therefore, the assortment of goods being produced by their associations and enterprises frequently is formed without considering the demands of specific consumer groups. Industry's company stores have not yet become genuine laboratories for studying and shaping demand for new goods, and commercial interests predominate in their activity.

The tasks and functions in solving this problem have to be more clearly defined, not only for trade, industry, and the services area, but also for planning, statistical, and price-setting agencies, as well as scientific research organizations. It is important to arrange for obtaining reliable information about all current and prospective changes in the market situation, and to ensure its effective and timely exchange among planning and economic organizations, trade and industry, sector administration units, and science and practical work. The organic inclusion of analytical and forecasting information about the population's demand in planning and commercial decisions for managing the production and sale of goods must become an invariable condition of such a system's effectiveness.

The basic directions in creating an effective system for scientifically sound study, forecasting, and shaping of population needs and demand must become the development of an organizational structure for future-demand study services in all sectors producing and selling goods, the creation of a data base organization and management system for analyses and forecasts of population needs and demand development, the provision of all necessary technical means for the automated collection and processing of data about demand, the improvement of evaluation methods for unsatisfactory demand, and the development of a modern forecasting apparatus for use at various administrative levels, etc.

As is stressed in the Comprehensive Program for Developing Consumer-Goods Production and the Services Area for the Years 1986-2000, active shaping of reasonable population requirements, purposeful fostering of a personal consumption culture, developing an economical style of doing housekeeping, and taking the country's national traditions and regional distinctions into account in accordance with requirements of the socialist way of life must become an important reserve in the effective use of available material resources for more fully satisfying the population's needs for goods.

Meanwhile, the shaping of reasonable population needs and demand is being delayed by lack of the necessary economic and sociological developments and practical recommendations for their implementation. Constant work is important here to improve the entire system of standard indices for the efficient consumption of material wealth, services, publicly organized forms of needs satisfaction, efficient budgeting of free time, and the like.

Making personal consumption efficient is viewed as a systematic process aimed at improving consumption structure, and taking into account modern social, economic, physiological, ideological, political, and a number of other requirements and potentials for thorough development of the individual as the main productive force.

It is a matter of expanding potentials for the fullest satisfaction of the population's major socio-economic needs, entailing easing the labor in housekeeping, shaping a reasonable wardrobe of clothing and footwear, developing the population's cultural recreation and leisure time, fortifying its health, obtaining information, and so forth.

The constant remodeling of consumer goods and raising of the level of the population's supply of cultural-personal and household-use goods must be based upon the creation of optimum sets characterized by esthetic quality, advisability, and availability of objects for multipurpose use. They are intended, first of all, to further the efficient flow of a modern person's most important life-activity processes (work, everyday life, recreation) and the development of his or her physical and spiritual strengths.

Apparently, the methods of economic influence (prices, credits, benefits) upon the shaping of the population's future social needs should be more widely used. The mass information media, the educational system, and advertising also are

called upon to play a large part, and it is essential to propagandize the fundamentals of efficient consumption and the population's scientific organization of housekeeping, everyday life, and recreation. It is important to step up even more the struggle against the manifestation of such antisocial traits as consumerism [selfish, excessive consumption] and hoarding, blind imitation of foreign fads, excessive prestige-seeking, and so on.

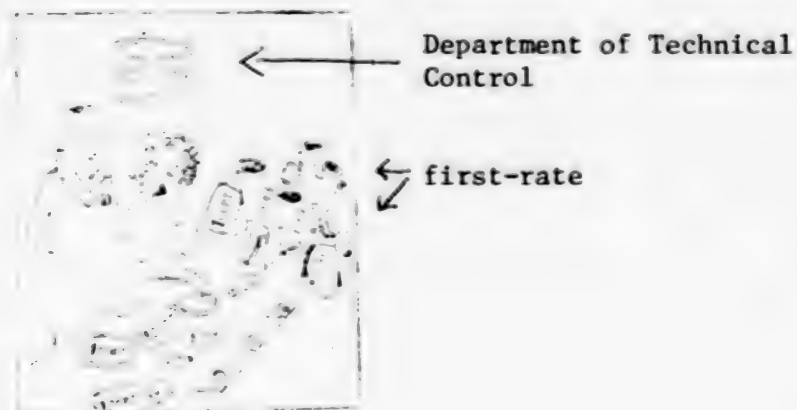
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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

CARTOON COMMENTARY ON DEFECTIVE ARTICLES



It's impossible to work--all
the stamps are defective.

Drawing by V. Tyulenov

Moscow TRUD in Russian 10 Jul 86 p 4



The administration of the television plant has informed us that this year our re-
pair shop can count on a significant overfulfillment of the plan.

Drawing by V. Nenashev

Moscow EKONOMICHESKAYA GAZETA in Russian No 11, Apr 86 p 24

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

CARTOON COMMENTARY ON INFERIOR MERCHANDISE

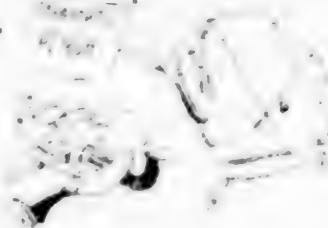
Moscow SELSKAYA GAZETA in Russian 15 Aug 86 p 4

["Artist Reads the Mail"]

[Text] When my "Snayge" refrigerator broke down, I immediately got in touch with a guaranteed repair shop in the town Borisov. "We'll be here on Saturday," was the business-like response. Seven Saturdays went by--probably not a much longer wait, but I had lost patience. I was simply tired of waiting. You can be sure the Borisov repairmen are avoiding their work with enviable know-how.

Lidiya Luchenov, village resident from Baranovka, Chervenskiy Rayon

1.



Key:

1. guaranteed repair

Some pieces of furniture which we purchased not long ago from the "Disna" factory were in bad shape: some parts were missing, others in excess. Even the merchandizing specialists of the local base had a hard time suggesting where to screw in a certain bolt in order to put together this stylish modular cabinet. For now, a section has been tied together using rope. Of course, it's impossible to use the cabinet now, but it is sturdy and reliably held together.

Tamara Kisel, village resident from Dusaevshchin, Kopylskiy Rayon



Drawings by Anatoliy Garmaza

HOUSING AND PERSONAL SERVICES

'PRIVATE' ACTIVITY EXPERIMENT IN SERVICES SECTOR DETAILED

Paper Endorses Experiment

Moscow LITERATURNAYA GAZETA in Russian 22 Jan 86 p 13

[Article by Vladimir Sokolov, LITERATURNAYA GAZETA special correspondent for Uzbekistan, under the rubric "Personal Service Problems": "The Cabdriver: LITERATURNAYA GAZETA Proposes an Experiment"]

[Text] An unshaven individual lying in wait for passengers at the airport and prepared to haul anyone anywhere he wants to go at a "ruble per kilometer" rate amounting to highway robbery; the driver of a Volga with a proper license plate, who cuts in on the taxi drivers; a worker who fits some people going his way into the "little Zhiguli" when he leaves the plant (just 50 kopecks, fellows!)--and we call all of them, indiscriminately, "opportunists in disguise" and try to get them under control. Is this necessary, though? Indiscriminately?

Take the robbers at the terminals. Because of their audacity and the fact that so many of them assemble at night near the transportation centers, they might appear numerous and generally to embody the evil of the private carrier. In fact, they comprise a narrow caste, which exists only because the city taxis are forbidden to make intercity hauls. How many of us are in a position to put out 150 hard-earned rubles to travel the 200 kilometers from Kiev to Uman? And many of those engaged in this carrier trade can remain at airports all night long and travel hundreds of kilometers. They don't have to work. They just have to be accustomed to having trouble with the police and consider money to be more important than the risk involved in a long trip in the company of overly affluent strangers.... It is therefore fairly clear what needs to be done with these robbers: permit the state taxis to travel outside the city, and they, the robbers, will be out of business, be deprived of their good thing, since no sensible person would want to get involved with them.

The second group is made up of reputable drivers of white, gray and black Volgas belonging to the state. Each of these drivers has a "boss," whom he cannot drive around all day long because that person also has a job. It is the old question of what to do with the time when those vehicles are idle. The motor vehicle

establishments have worn themselves out trying to come up with something. They now provide a plan according to which the "out-of-service" vehicle will operate as a taxi during the free time, now do the reverse, putting one of the newer vehicles with no checkerboard from the taxi pool "into service" for a certain number of hours. While they complicate matters, however, some of the reputable drivers worry about enhancing their labor productivity--to their own benefit, of course. This is the truly criminal transport operation. They are burning state fuel, using up state tires and other kinds of motor-vehicle life, engaging in "opportunism with a respectable facade" while being paid by the state and keeping all of the income.

The third group of cabdrivers, however, which is the largest and the most recently formed, needs to be thoroughly discussed. A common feature of the members of this group is the fact that they have a salary on which to live. Teachers, workers, engineers, construction workers, medical workers and servicemen, just about anyone, but you will not find a light-fingered waiter or sales clerk from the market among them. The latter make their "dirty money" on the job, preferring to relax "with interesting activities" in their free time.

There was a time when an academic or a hero of labor could afford an automobile. The purchaser needed to have a good income, which would enable him to bear the burden of possessing the luxury item without strain. The VAZ [Volga Motor Vehicle Plant] and AZLK [not further identified] assembly lines began turning out more motor vehicles than there were new academics or even sales clerks, however, and people of average income gradually became the largest category of motor-vehicle owners. They save and borrow, and get some surprises soon after they have made the purchase.

The first surprise is that it is ever so expensive to operate a motor vehicle. The vehicle is designed to travel around 20,000 kilometers annually (that is what driving to work during weekdays, to the dacha on days-off and to the sea on vacation would add up to). In order to travel those 20,000 kilometers, however, about 800 rubles has to be spent on fuel; the motor vehicle needs to be "serviced" twice at a service station; 150 rubles has to be set aside for half a set of tires; regular insurance will cost another 100; and at least 60 rubles will have to be paid for parking space for a year. No matter how one finagles, it adds up to more than 1,000 a year, and this is 4 or 5 times one's regular salary....

The second surprise is that the motor vehicle is capable of paying its own way, since it is not only a means of conveyance but also a means of rendering services. Every morning, on the way to work, you are hailed by citizens who have overslept, missed their bus and cannot get a taxi at the peak hour. And each of the fellow riders feels an obligation to pay. If you refuse to accept the money, the strangers are offended (Not enough? The same as a taxi. We know how much it costs!), while acquaintances will make fun (Stop it, you're not a rich man!). And so, first merely by helping people out in a difficult situation, the vehicle owner suddenly discovers that their 50-kopeck pieces and rubles are covering a considerable part of the expenses involved in running his vehicle. As soon as he discovers this, there is certain to be one more cabdriver.

No one knows, of course, precisely how many of these cabdrivers there are. According to data from the Ukraine's State Motor Vehicle Inspectorate, however, the licenses of around 400 drivers were revoked, more than 4,000 were fined, and around 5,000 were brought to administrative accountability in the republic during the first 6 months of last year for engaging in private transport operations. This means that around 10,000 "private operators" were caught in the carrier business. And these were just the most inveterate and unlucky! The inspectors with the State Motor Vehicle Inspectorate, who know how difficult it is to catch someone red-handed in this business, would only say: By what factor would we have to multiply this figure to know how many? Even with the most moderate adjustments, however, we arrive at a figure which indicates that we are dealing not with individual scroungers but with a new, large-scale phenomenon.

What has caused this? In the first place, as the lives of the city residents improve they have more time away from production and from household chores. In the second place, in the urban situation the individual who drives his own motor vehicle has more actual free time. In the third place, the owner of a motor vehicle is frequently glad to exchange his free time for an increase in earnings. In the fourth place, the person who has to wait a half hour for a taxi in an outlying housing development wants to get out as rapidly as possible, whether or not it is a vehicle with checkerboard markings.... In the fifth place, the number of vehicle owners meeting the condition for "in the third place" is increasing far more rapidly than the other urban dwellers are being provided with public transport, and the discrepancy is growing by the year. Each of the elements is mushrooming at an increasingly impressive rate, and, taken together, they are creating such a problem it is difficult to say whether it is a problem or simply a new fact of life, whether it should be "resolved" or, on the contrary, made the most of.

Let us now see whether we could resolve it. We can obviously not reduce the number of motor vehicles produced for sale nor limit the growth of free time. Nor would we set ourselves such a task. The only thing left is to focus our efforts on reducing the shortage of taxi service. The traditional, extensive method would be to build a new plant for the production of taxis, double the number of taxi fleets and correspondingly, the army of drivers, mechanics and administrative personnel, and double the production of tires, fuel and spare parts. If we do this, we will be standing in line beneath the letter "T" not 20 minutes but 10.

But let us back up some and try to understand just what this carrier business is. Public opinion presently places it on a level with such disgusting and harmful things as speculation and the embezzlement of state funds. But why is this? Speculation and embezzlement are ways to derive income without performing the equivalent work. A carrier is working, though! If he is hauling people during his free time, if he is burning fuel honestly acquired and using his own vehicle, then what makes his work any different from that of a kolkhoz worker on a personal plot or of an amateur gardener in an association? How does a personal automobile differ as a means of production from the power unit we have begun selling to the gardeners? Only in what it produces! The power unit saves the owner time and energy and provides potatoes for the family, as

well as for those who want to buy this item at the market. A motor vehicle is also designed to save the owner time and energy, but it is at the same time capable of providing transportation for others who want to purchase this service on the street. Why are private individuals permitted to sell potatoes but not transportation? One newspaper explained it this way: "This kind of transportation operation is one form of private entrepreneurship. It is therefore out of the question." But how does this kind of transportation operation differ from such forms of "entrepreneurship" as making dentures or composing a hit? Only in the fact that it has not been legalized, and there is therefore no way for the state legally to receive a portion of the income from it. In all other ways the carrier business is fully a socialist form of work, since it provides no opportunity for exploiting the work of others, for obtaining unearned income or stealing public property (when it is prudently organized, of course). On the contrary, this kind of transportation operation makes it possible to utilize personal labor reserves and to accumulate material assets for meeting one of society's needs more fully.

We have written more than once about the fact that this type of service has been legalized in Hungary and the GDR and is providing the state with a real income. Then why should we not see in this disdained Soviet carrier what he actually is, a source of supply for the economy?

Many objections are foreseen. Will these additional earnings not take people away from our basic production? Will such carrier operations not affect passenger safety? Will people not begin purchasing even more stolen fuel?... However, the permit to engage in this activity could precisely indicate the time when the motor vehicle owner is permitted to become a taxi driver, and we could issue permits only with the consent of his bosses at his main job. Proper selection requirements (driving experience, condition of vehicle, length of accident-free operation) would only enhance our safety, because God only knows what sort of "opportunist in disguise" is hauling us today and what kind of brakes he has. With respect to the fuel, the hauling operation would provide the vehicle owner with enough money to fill his tank from a hose at the nearest service station and drive off in search of the next customer. He would not have to roam around looking for someone to sell him stolen but cheaper fuel.

A mountain of objections could be erected. It seems to me that it would be more useful to look at the benefits which the legalizing of private carrier activities could bring the nation.

There are 21 taxi fleets and around 17,000 taxis in Moscow. Hungary's experience has shown that the same number of "carriers," or even slightly more--20,000--could be drawn into the field. If each of them earned just 10 rubles a day (and taxis earn up to 50 rubles per shift) and turned over 2 rubles of that amount to the state, this would amount to 40,000 rubles a day, which would add up to 14 million rubles a year! Real millions could be produced as though out of nothing, out of thin air, but actually from sources now going to waste, in Moscow alone. They would be provided by actual work, would not require any capital investment and would not be eaten up by overhead: remember that the carrier himself bears all of the expense involved in earning them. Incidentally, he would end up with only half of the 10 rubles earned, after expenses, but in a

year those 5 rubles would add up to an amount which would more than cover the cost of maintaining the vehicle.

What about it? Could we try it? The carrier operation would be a convenient experiment, because it is easily localized by any city and because it would not require any outlays: everything would be paid by the applicants for carrier permits themselves.

I am not the only one struck by the idea of legalizing such carrier operations. Letters with similar suggestions arrive at the USSR Ministry of Internal Affairs and at other law enforcement and state agencies. None of them get to the right place, however, because with respect to use of a vehicle the individual is under the jurisdiction of no one, not even the State Motor Vehicle Inspectorate. It is not clear who should authorize him to do that which is not directly forbidden by law but is decried by public opinion out of entrenched habit. It is not clear who should deal with the "private-operator" element: they work in different places and live here and there. Try to unite them and arrange for supervising them.... Just leave them be. Just continue in the same old way, fellows. And the departmental grumbler will reply: "Too few taxis on the streets? We'll increase production. Not enough taxi fleets? We'll build new ones. Nothing to it! Not enough truck or bus drivers? We'll lure youth from Central Asia with top wages. Proliferation of motor vehicles? Opportunists in disguise everywhere? The law can handle them...." But those taxi fleets which would have to be squeezed, who knows how, into the general city plans are to be found in the garages and parking spaces of motor vehicle owners and in the service system created for them. I believe that this is why the matter is getting no place, why no one wants to look into it.

But this is an important matter: profits for the treasury, convenience and less nervous stress for the passengers, and one more bottleneck alleviated in the economy. The disdained opportunism in disguise would be turned into the most ordinary work needed by the society. The incomes of hundreds of thousands of families would grow, and not to the detriment of other hundreds of thousands but for the common good.

LITERATURNAYA GAZETA is proposing an experiment. Would some city perhaps agree to be the first to conduct it?

Follow-up On Experiment

Moscow LITERATURNAYA GAZETA in Russian 23 Jun 86 p 12

[Report on Experiment by V. Fomin, LITERATURNAYA GAZETA correspondent for the North Caucasus, city of Grozny: "Next to the Cabdriver"]

[Text] LITERATURNAYA GAZETA's proposal has been accepted. The experiment has been initiated in Grozny: the owners of private motor vehicles have been enlisted for hauling passengers.

Twice this year, on 22 January and 23 April, LITERATURNAYA GAZETA has published articles on the organization of a private transportation system: the hauling of passengers by the owners of personal motor vehicles. Both articles analyzed the "pros" and "cons." They cited the opinions of proponents, those who support Vladimir Sokolov, the author of the articles, and believe that the establishment of a private transportation system will strike a blow at the "opportunists in disguise" and deprive them of their earnings to the benefit of honorable vehicle owners. They also discussed in detail the viewpoint of the opponents, those who believe that by permitting private owners to engage in hauling passengers we will be encouraging hustling and admitting the state's impotence.

Believing that this is a matter of benefit to the state and of a connection between the state's benefit and personal benefit, resolving the transportation problem of "those without a horse," easing the burden of vehicle owners and making good use of assets which we already have, LITERATURNAYA GAZETA proposed--and then repeated the proposal--that an experiment be conducted to test the idea.

Groznyy was the first to respond.

Igor Pavlovich Sarkisyan, head of the passenger transport and communications department of the ispolkom of the Groznyy City Soviet of People's Deputies, called the editorial office:

"We have started the experiment. We already have ten private motor vehicles on the line.

"Good!" the head of the newspaper's section for social and personal-service problems, responded. "We'll have to see what comes of it."

"We shall send a correspondent," the head of the correspondent department and my immediate chief, willingly promised.

"If it has to be done," I said, accepting the assignment without any sort of enthusiasm, since, I have to admit, I do not care for any sort of private business or cottage industry. Here I was in Groznyy. I looked around the airport. I wanted to yell as a joke: "Taxi"! There was no "taxi" to be seen, neither state nor privately operated. One o'clock in the morning. The area was deserted. Igor Pavlovich Sarkisyan gave me a ride from the airport in his Zaporozhets. He immediately explained that vehicle owners were permitted to haul passengers only until 2100. No later than that.

"Why Groznyy?"--this question had tormented me during the trip. It seemed to me that it would have been more logical for one of the resort towns or Moscow or Leningrad, for example, to undertake the experiment. But Groznyy? It is mostly an industrial city. It has a population of slightly more than 400,000. Why had such an acute need for private transport services arisen precisely here?

Vladislav Mikhaylovich Shamardin, chairman of the Grozny City Ispolkom, answered my prepared questions:

"Someone had to be the first, so we started things. The passenger transport situation in Grozny is approximately the same as in other cities. The need is growing, and we are not meeting it. The gap between supply and demand is growing. The number of vehicles in the city's taxi fleet has dropped by a full 100 vehicles during the past 3 years through no fault of ours. There were 471 taxis in 1983; there are now 351. And only 260 are in service, no more than that. The fleet is old. At the same time, the number of privately owned vehicles is growing. We are probably one of the leaders in the nation in this respect. There are 21,000 owners of personal transport in the city. This obviously affects also the expectations of other people. We are becoming accustomed to convenience. Many of those who are not in a position or do not wish to acquire a personal vehicle make frequent and willing use of taxis. There are not enough. The results are well known; LITERATURNAYA GAZETA has written about them: the "opportunists in disguise" and illegal private carriage are flourishing. This is what prompted us to undertake the experiment," Vladislav Mikhaylovich said in conclusion.

And so, the ispolkom took on the role of initiator. It passed a special decision: "On Conducting an Experiment in Motor Transport." The objective was defined precisely and clearly: "to improve taxi service for the population, to involve workers with private motor vehicles in this work during the time they are free from their main jobs, and to eradicate the use of personal motor transport for mercenary purposes."

The Chechen-Ingush Republic Council of the Volunteer Society of Motor-Vehicle Owners, specifically its production enterprise, is handling the organizational aspect of the matter. It has worked out and approved a temporary statute on the hauling of passengers with personal transport. The following procedure has been adopted. Vehicle owners desiring to take part in the experiment (they were all informed of the terms through the rayon soviets and citizens' cooperatives) submit an application. Since we still have few "cabdrivers," each applicant is considered at the very top--in the society's presidium. Nikolay Trofimovich Petrakov, chairman of the republic DOAM [Volunteer Society of Motor-Vehicle Owners] council, and Arsen Yenokovich Sayyants, director of the production enterprise, acquainted me with the organizational machinery and asked me to point out that particular attention is given to the selection of people. It is important from the very first to earn a good reputation, to conduct the undertaking in a wholesome climate free of greed. One of the main conditions for admission to the experiment is that the individual have the consent of and a good record at his main job. Naturally, the "cabdriver" must have the necessary level of professional skill and at least 3 years of experience in operating a motor vehicle; he must not have a "record" with the State Motor Vehicle Inspectorate; his motor vehicle must be in a state of good technical repair, and so forth.

There was much debate about wages in the discussion of the experiment terms. What would they have to be to give the vehicle owner an incentive to haul passengers, while at the same time not producing a temptation to turn these extra

earnings into a main source of income? Before the experiment began, they put a finance worker from the gorispolkom into the Zhiguli of one of the future "cabdrivers." For several days he carefully recorded the income from his trips. The passengers paid at the rate for a state taxi: 20 kopecks for boarding, 20 kopecks per kilometer of travel (based on the speedometer reading), and 2 rubles for an hour of waiting. This amateurish and perhaps not entirely competent study did play a psychological role: it removed the veil of secrecy and suspicion surrounding these sensitive matters. As one might have expected, it proved that the income established for state taxis of the Moskvich and Zhiguli class (4 rubles per hour) is perfectly objective and realistic.

For now, they have accepted a system of final settling-up whereby the vehicle owner must turn over one out of the four rubles to the DOAM treasury. Since, according to the calculations of the specialists, the cost of fuel to run a motor vehicle for an hour and the amortization amount to 1 ruble and 60 kopecks, the "cabdriver" should be left with additional earnings of 1 ruble and 40 kopecks per hour of work.

In summary, one can say that the demands made of the requirements set for the motor-vehicle owners are basically the same as those which apply to the drivers of state taxis, including adherence to the standard "instructions for the operator of a taxicab." There is obviously one difference--an extremely significant one, it should be said: all of the requirements, especially during the first stage, before a dispatching and other coordinating and monitoring services have been specially set up for the "tradesmen with motors," must be fulfilled by them on their own. One must agree with the Grozny comrades, of course, that a great deal will depend upon the people themselves.

I could not wait to meet them, the nation's first, even temporarily legalized, "cabdrivers." I leafed through their applications and the agreements concluded with the DOAM production enterprise.

Too early, of course, to draw a definite social portrait of the "tradesman with the motor," but just as LITERATURNAYA GAZETA predicted, there were more engineers with a low salary--three out of ten--than anyone else among the volunteers. There were also three pensioners. An agreement was signed by two people with watch duty--one driller who flies to the oil fields of Siberia and one duty motor mechanic at a local chemical plant. Two fitters from the municipal services completed the ten.

The pensioners were the easiest to meet. Igor Pavlovich Sarkisyan called one of them up at his apartment and asked him to pick up his colleague on the way. They were soon sitting in front of us: Aleksandr Sergeyevich Bryullo and Aleksandr Varlamovich Miminoshvili. Aleksandr Sergeyevich worked as a shop chief at the plant for 18 years before retiring. Neat and with the appearance of an athlete, he did not conceal the fact that the opportunity to use his motor vehicle several hours a day, openly, without needing to conceal it, to haul passengers suited him. He could add to his pension and help people. He had taken a permit for the May holidays and he believed in general that it makes more sense for pensioners to go out on people's days-off, when the passenger flow is especially great and state taxis cannot handle it.

Miminoshvili was an engineer on a diesel locomotive. He had gone out only once for the extra earnings, on a Saturday. He had worked from 0900 to 1200. Younger people might want to take advantage of the ceiling of 7 hours set for them, on their days-off, but he believes that 2 or 3 hours is enough for him.

In our discussion neither Bryullo nor Miminoshvili indicated any special eagerness for the earnings: one can't earn all of the money there is; the vehicle has to be taken care of; and only time will tell whether the established rates of payment are advantageous for them. It seemed to me that they were attracted most by one of the benefits specified in the statute for those participating in the experiment: the right to use service station facilities (at their own expense) and to acquire spare parts in great demand through the DOAM, all without waiting in line.

I wanted to talk with the engineers, of course. Two of them worked at design institutes, while the third is employed in the territorial motor transport association.

"Precisely that organization," Igor Pavlovich commented, "which is in charge of passenger hauling in our city. Rappa Tutayevich Akhyadov is a senior department engineer. Taxis are his 'domain'."

That should indeed be interesting.

Rappa Tutayevich turned out to be a young, well-built man of around 30 years. I immediately cautioned him not to hold back.

"You are no doubt aware of my organization's viewpoint on the experiment. Frankly, the association is afraid of the competition. The 'opportunists in disguise' are already taking some customers away from the taxi drivers. If we have the 'cabdrivers' in addition, there could be unforeseen difficulties. We are most concerned about who will coordinate the operation of state taxis, and how this will be done, and who will coordinate that of the 'tradesmen with motors,' as you refer to them in your writing. As senior engineer in the passenger service department, I support the viewpoint of my superiors and share their fears."

"Then just what made you become a 'cabdriver'?"

"I learned about it by hearsay," Akhyadov answered. "My superiors gave their consent to this personal experiment of my own. Also, I shall not hide the fact that a personal interest in extra earnings played a role. My salary is 140 rubles. There are three in our family. We have a small child, and my wife is not presently working. I have the free time and the qualifications: I am a second-class chauffeur. I have already been on duty, and I must say that my skepticism was reduced. It is a worthwhile undertaking, advantageous for everyone involved. But why should I be talking so much about it? After work, if you like, we can go around the city together."

We were on our way. Akhyadov showed me a slip with the heading: "Permit to Operate a Motor Vehicle for Hauling Passengers." It gave his first and last

name and his patronymic. It specified the time: from 1600 to 1800. The document was issued by the DOAM production enterprise. Before receiving it Akhyadov had paid 2 rubles (for 2 hours of work) into the enterprise account at the receipts desk and obtained the permit with his receipt. At the beginning of the experiment this was done differently. The vehicle owners paid the money directly to the society's accounts office after working the specified number of hours. It soon became clear, however, that the "money in advance" principle was more reliable. Rappa Tutayevich commented that the organization of the payment system was still far from perfect, that a great deal of time was spent obtaining the permit. He, for one, knows very well on what days of the week he can go on duty, and it would be more convenient for him to pay the money in advance and make up the schedule for an entire week.

Before departing, Akhyadov attached some items he had been issued to the windshield of the Zhiguli. "TAXI-EXPERIMENT" was written in large letters on one of the boards. A second board was of more striking design. A yellow strip ran down a bright background, with black checkerboard markings on the right and the letters TE (for taxi-experiment) in red and green, on the left.

"I am keeping both signs up for now," Rappa Tutayevich said. "Unfortunately, except for a narrow circle of motor-vehicle owners, no one knows anything about the experiment. There was no advertising or even a simple notice in the newspapers or on local television or radio."

On the opposite side of the sign, for the passengers to see, was a list of rates.

Akhyadov wrote down the speedometer reading and the time. I pressed myself into the far left corner of the passenger compartment, trying to make myself as unobtrusive as possible, because I knew that my presence was marring the purity of the experiment. Not everyone will stop a vehicle which already carries a passenger. We set out.... Whereto?

"The likely spots for passengers are well known to the local drivers," Rappa Tutayevich explained. "We'll drive along the main street, and if no one hails us we'll go to the railroad station."

As we drove along, passing pedestrians and drivers followed our Zhiguli with surprised looks. No one stopped us on the main street. We set out for the railroad station. Here was the taxi stand. There were no vehicles, and the line was short. We parked. No one came up. Akhyadov glanced at his watch. The minutes were passing. A tall young man in jeans left the line, opened the door and asked Akhyadov something in Chechen or Ossetian. I don't know which.

"Get in," Rappa Tutayevich replied succinctly.

There were two passengers. A woman was with the young man.

"Why didn't you come over immediately?" Rappa asked. "Didn't you see the sign?"

"I wasn't sure," the young man replied. "A Zhiguli as a taxi? I have never seen taxi drivers operating Zhigulis."

"This is my own personal vehicle," Akhyadov said.

"How do you do that?" the passenger asked with surprise. He began asking questions, and Akhyadov explained in detail about the experiment and the terms under which he worked during his off-duty hours.

We probably drove for 20 minutes. Through the entire city, past areas of new development. Through the suburbs. To rural homes. The young man paid unhurriedly.

Things picked up. On the way back to the city we hauled a woman and a child. We let her out at the railroad station. We made several short trips in the city. At the taxi stands Akhyadov was apparently taken for an "opportunist in disguise." The desperate ones ran over to him.

"Take me here, friend!" they would say, and give the address.

"You could go there on foot," Rappa would say with a smile, and take them there.

"What about taxi drivers?" I asked one of the passengers.

"Oh, they will take you the long way round to run up the fare," he said, dismissing them with a gesture. "And I happen to be late."

We picked up three young fellows who were not very talkative at a bus stop and took them to the airport. It was a familiar scene at the terminal: a line stretching from the taxi stand, while several vehicles with the checkerboard markings were parked in a row some distance away. The drivers were standing next to them, smoking. A tall elderly man with a bouquet of white calla lilies in his hand was obviously trying to talk one of them into taking him somewhere. The individual pointed to us.

We hauled the man with the bouquet. The comrade was talkative. He had flown in from Sochi to see his sisters and was in a hurry. What about the taxi drivers? They said that they were at the airport on special calls. They were probably lying and were waiting for more lucrative customers taking longer trips: to Mineralnyye Vody or Ordzhonikidze.

Akhyadov was looking at his watch more and more frequently and beginning to turn passengers down:

"No, that's a long way. I don't have time. I knock off at 1800." Turning to me, he said: "I don't want to have trouble with the Motor Vehicle Inspectorate."

We stopped work at exactly 1800. Rappa Tutayevich did some figuring. We had traveled 62 kilometers and burned 8 liters of gasoline during the 2 hours, and there was 15 rubles in the till. Subtracting the 2 rubles paid to the DOAM and the cost of the gasoline (approximately 3 rubles), the net income, not considering the labor or the depreciation on the vehicle, came to 10 rubles.

"And you can see that we did not encroach upon anyone," Akhyadov said.

When we parted, I asked Rappa Tutayevich that touchy question which evokes the most fears and concern in our experiment: Will there not be a temptation to pick up a couple of extra rubles every free evening?

Akhyadov smiled and said:

"A person wants to do more than just earn money. He also wants to live a full life. Take me: I can only go out to earn the extra money two or three times a week. I have tennis on Tuesdays, swimming on Thursdays. I have to read the special literature, the new publications. I also like to spend time with my family. I always watch the Vremya program, and I also don't miss the interesting movies. If I were only interested in money, I would have changed jobs long ago."

After that trip, I have to say, my own skepticism diminished, even though I still understand very well that the resistance of those who have doubts about the experiment is not without basis. Not all of the "cabdrivers" will be like Akhyadov.

Republic Minister of Finance P.I. Goleshchikhin expressed the arguments "against" the experiment most openly. In our discussion Petr Ivanovich told me:

"This is not just an economic matter, but a social one as well. The rich will grow richer, and we will be encouraging it. This is a dangerous path. It needs to be given particular consideration in our republic."

Citing the decree passed by the USSR Council of Ministers on 3 May 1976, which was mentioned in LITERATURNAYA GAZETA and which forbids private carriage operations with passenger cars, the minister demanded in a letter to the first secretary of the CPSU obkom and to the chairman of the republic Council of Ministers that the DOAM "halt the unlawful operations."

I reminded Petr Ivanovich that this is only an experiment and that we should not be in a hurry to apply sanctions. The minister did not agree:

"One also needs to obtain authorization for an experiment, and not initiate things on one's own."

Even though I myself am one of the doubters, I still like best the position taken by Vladislav Mikhaylovich Shamardin, chairman of the Groznyy Gorispolkom.

"We need to try it," he said. Everyone knows what should not be done, what needs to be forbidden, but no one will say what needs to be done so that passengers do not have to stand in line and so that opportunism does not thrive. The experiment does not involve any cost to us. On the contrary, we receive income, which we use to set up [taxi] stands and to develop service stations. The taxi fleets, as you know, are subsidized. We do not have to fear healthy competition. The "rivalry" will only result in improved servicing of passengers, I have no doubt about that. The cadres? This is a serious matter. We are already becoming convinced, however, of the groundlessness of fears that

everyone will be anxious to get into the business. For the period of the experiment--it will last 3 months--we are authorized to select no more than 30 "cabdrivers." We now have 10. The maximum number which we can set in the future without detriment to the state taxi pool is 100 or 150 "tradesmen with motors." You will agree that we can find that many honest and decent people out of the 21,000 vehicle owners, people who will engage in this activity at their own desire and without detriment to the main production operations. "The experiment," Shamardin concluded, "would have gone forth in a purer and more interesting manner, had the finance people taken a more positive attitude toward it."

That goes without saying!

"I recall the lines of Leonid Martynov:

Life is certainly labyrinthine,
The vista, such an intricate thing.
What a colossal land!
Even a small balalaika string
Resounds, a mighty clarion thing.

I do not want to make a mountain out of a molehill. Enormous changes are now taking place in the nation, and fundamental, underlying mechanisms of national economic management are being affected. On the national scale, the matter with which we are presently involved is a secondary one. We could be patient and not decide anything, and nothing special would happen. There are arguments "for" and "against." But let us give those who have undertaken to test these arguments not in verbal hostilities but concretely, in practice, a chance to prove themselves, or at least not prevent them from doing so.

The article was ready to go to press, when a call came from Groznyy:

"The Council of Ministers of Checheno-Ingushetiya has ordered the experiment halted."

"What were the reasons?" I asked V.M. Shamardin, chairman of the Groznyy Gorispolkom.

"The same ones," Vladislav Mikhaylovich replied, "referred to in the letter from Finance Minister Goleshchikhin."

"The gorispolkom," Shamardin said, "has not rescinded its decision that the experiment is to be conducted. You know, however, that it will have to be rescinded ..."

One can understand Minister Goleshchikhin and the comrades who have supported him in the Council of Ministers of the Checheno-Ingush ASSR. They could be reprimanded from above for not following instructions. It would be easier not to take the risk, to do nothing, and then there would be no

reason to punish anyone. Only this is the mentality of the past. The new times call upon us to combat the habit of smothering vital action with empty and endless verbal strife, beating about the bush. They call for us to boldly try things, to seek new ways to resolve problems large and small.

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HOUSING AND PERSONAL SERVICES

PLANNING EFFICIENT SYSTEM OF PAID SERVICES URGED

Moscow IZVESTIYA AKADEMII NAUK SSSR: SERIYA EKONOMICHESKAYA in Russian No 3, May-Jun 86 (6 issues per year) pp 84-87

[Article by T. I. Koryagina and L. N. Yevdokimova: "Determining Efficient Standards for the Use of Paid Services"]

[Text] The fundamental feature and special purpose of efficient standards for the consumption of material wealth and services is the establishment of quantitative reference points for judicious consumption. The standards being developed reflect today's ideas on the development of welfare and more efficient consumption. In the course of social and economic development and change in the scientific concepts of the composition and pattern of consumption, these standards should be subject to adjustment. A characteristic of the drafting of efficient standards is that they are not coordinated with limitations in the monetary incomes of the population and the resources of the economic system, and for this reason they cannot be utilized in current planned work. They may be considered only as a starting point for formulating long-range forecasts.

Establishment of the full extent of requirements for services which is equivalent to other related items in this budget is the methodological starting point in substantiating efficient standards for paid services. Inasmuch as the portion of the population's expenditures for paid services depends on the property accumulated, as well as on the extent of living space provided, estimation of an efficient level of requirements for paid services is derived to a certain extent from the level and pattern of the population's efficient requirements for goods and housing.

Determination of an efficient level of consumption for one form of service or another in physical terms or the extent to which the population is covered by the appropriate form of service and establishment of the amounts of average prices and rates for servicing, calculating on one order, is the common methodological premise in formulating efficient standards of consumption in value terms for all forms of paid services.

In the context of individual forms of paid service, it is necessary to distinguish those prevailing factors which have a particularly noticeable effect on the level of service consumption. The average family size and the

sex and age pattern of the population are the most important factors for most of the forms of paid service. For this reason, it is important to calculate efficient standards differentially--as applied to those forms of service which have a level of consumption primarily dependent on family size (for example, a number of production forms of domestic services), and with respect to the forms of service which are dependent first of all on the sex and age structure of the population (the services of children's institutions, as well as applied to the everyday services of a personal nature, and so forth).

In calculating efficient standards for the consumption of paid services, we have been guided by two basic features.

1. Utilization of the analogy principle. First-hand quantitative determination of efficient service consumption standards was made on the basis of data gathered on the level and pattern of consumption by "key" groups of population in the USSR. Use of materials on the pattern and dynamics of personal consumption in foreign countries was important here as well.

2. The principle of equal accessibility of economic wealth. Application of this principle in the methodology of calculating efficient standards provided the opportunity to eliminate the influence of the factor of production and supply of services throughout the country, on one hand, and the factor of monetary income on the other hand.

The combination of both factors made it possible to obtain an "idealized" model of consumption. In the methodological plan, the model cited reflected the system of consumption indicators projected for the entire population of the country among the "leader groups" with a higher cultural and educational level, and accordingly, with more developed spiritual requirements and, most importantly for the services field, which are capable of making an efficient selection between a system of publicly organized service and self-service.

Let us examine in more detail the methodological aspects of formulating efficient standards for the consumption of some of the most important forms of paid services for the population of the USSR as a whole.

In order to ensure that everyday services are fully represented in efficient consumption, it is important to take them into account to the full extent, including the production forms of everyday service. For this reason, in developing efficient standards for the population's consumption of everyday services, we started with a listing of the most important forms of everyday service allocated in national economic plans. There are 21 sectorial groups of everyday services at this time. In accordance with their economic purpose, all forms of everyday services were brought together in three groupings. The everyday services connected with the manufacture of ready-made articles of consumption in accordance with individual orders from the population were combined in the first grouping. The services directed at restoration and preservation of the use characteristics of material consumer wealth (including housing) were grouped in the second grouping. The third grouping included all other forms of everyday services of a personal and general family nature.

In developing efficient standards for everyday services in the first grouping, it was taken into account that demands for services connected with the manufacture of articles for individual orders are differentiated according to the different sex and age groups of the population. For this reason, calculation was performed for 15 articles of women's sewn clothing, 8 articles of men's sewn clothing, and 3 articles of children's sewn clothing. Six, three and two items, correspondingly, were selected for knitted goods and eight and four articles of footwear were selected for the calculation.

For each of the individual types of clothing items (according to elements of an efficient consumer budget in the section on providing the population with clothing and footwear), an efficient level was established for providing the men, women and children of the country with a well-defined range of everyday service, and the average magnitude of the cost of payment for one order was determined. The overall efficient volume (standard) of the population's consumption of services for custom-sewn clothing, footwear, and knitted goods was the derived weighted average of the computed intragroup listing of services broken down by types of consumers (men, women and children).

Let us note a number of specific methodical features in substantiating efficient standards of consumption for individual types of everyday services in the first grouping. A complete absence of children's requirements for services in the manufacture of footwear was assumed. With respect to the adult population, it was taken into account that demands for services in footwear manufacture will be made only with regard to footwear made of leather and synthetic materials. The population's requirements for rubber and felt footwear will be met in full by industry.

According to our calculations, about one-fifth of the people in the country will be turning to consumer goods enterprises for sewn clothing, as opposed to one-third at the present time. And women will continue to be the basic consumers of services. A change in the specific pattern of services for the adult population is assumed. For men, nonstandard suits and shirts will become the basic items for manufacture under individual orders. For women, services for the manufacture of lightweight dresses and stylish suits for street wear will be predominant, with blouses and coats only to a negligible extent.

Taking the increased originality of articles into consideration, their manufacture will be concentrated primarily in high-class sewing enterprises for personal services, which was taken into account in the higher scale of payment for one order compared with its current level.

The calculation of an efficient standard for consumption of services in manufacturing furniture for individual orders from the population also was made differentially--according to the types of furniture. The assumption was made that the people's requirements for all types of standard furniture (tables, chairs, stools, and the like) will be met by industry. Nonstandard furniture, as a rule, different types of shelving, wall bookcases, corner upholstered furniture, and so forth will be manufactured in accordance with individual orders. About 3 percent of the population will be covered by the services of consumer service enterprises for the manufacture of furniture.

Approximately 2 percent of the people in the country, according to calculations, will be consumers of the services of different construction organizations. There are services for the population for housing and erection of individual dwellings, as well as for the construction of small garden houses and building up the areas of garden associations, building garages and parking areas requiring payment, and improved decoration of apartments in newly introduced state housing resources.

In determining an efficient standard for services in dwelling construction in accordance with individual orders, we took into account the correlation between state housing construction, a housing construction cooperative, and construction of dwellings through the efforts of kolkhozes and individual construction by using the construction base of building organizations. It was assumed that construction of dwellings in accordance with individual orders will be residual in scope from the the four sources of financing for housing construction in the country indicated above. The average cost of erecting one dwelling in accordance with an individual order was determined by taking the dynamics of this variable for 1970-1980 into account.

The principle of disaggregation of the separate types of service also was applied with respect to the services of a repair and restoration nature. Thus, calculation of an efficient standard for the consumption of services for repair of complicated household machines and appliances was made for 11 articles of long-term use: television sets, radio receivers, tape recorders, electrophones and record players, refrigerators, washing and sewing machines, vacuum cleaners, cameras and movie cameras. Significant improvement in the reliability of household machines and appliances over the long term was taken into consideration.

The methodology of calculating an efficient standard for drycleaning and dyeing services was based on the establishment of a periodicity coefficient for drycleaning basic wardrobe items (primarily clothing and carpeting items). In the second stage, the weighted average of the weight of articles turned over for drycleaning was calculated. Multiplication of the volume of drycleaning and dyeing services (in physical terms) by the average cost of payment for cleaning and dyeing 1 kilogram of clothing produced the magnitude of the standard for consumption of services of the type cited. The magnitude obtained was compared with the consumption of services of the type cited in developed foreign countries. The trend of change in this parameter in the base period was taken into account. On the whole, it was accepted in the calculations that an average of about 4 kilograms of clothing per resident, compared with approximately 550 grams at present, will be turned in for drycleaning and dyeing in the country.

The volume of linen washing services in public laundries was determined by a similar method. According to our calculations, the volume of consumption of services of the type cited, in physical terms, will consist of about 40 kilograms of dry linen per resident, compared with approximately 1 kilogram at the present time. About 35 percent of the weight of the linen turned over to public laundries will be handled under domestic conditions by the people.

In calculating the standards for consumption of services of a personal nature, the indexes for consumption of services in physical terms (the number of orders or visits per resident per year) and the indicators of the average cost of payment for one order served as the methodological basis. For separate types of personal services, where consumption is differentiated to a significant degree depending on the sex and age of the population, the standards were set up in accordance with sex and age groups in the population. For the services of barber shops, for example, the child population was singled out separately for this purpose, and calculations accounted for five age groups for women and four for men.

The concept of an efficient level of transport mobility for the population by individual forms of out-of-town and urban passenger transportation was accepted as the basic methodological prerequisite for calculating efficient norms of consumption for the people's use of transport services. The level of transport mobility was determined in accordance with the proportion of city residents in the overall population and the increase in the overall cultural and educational level of the population, which determines the form of requirements for rest outside the home. This in turn presupposed calculation of the efficient provision of recreational institutions for the people, of their future employment in public production and training, and the concept of prospective urban development (the dimensions of the territory and nature of planning cities, type of settlement, and so forth). As applied to urban conditions, it was important to devote attention to the interchangeability of the different types of transportation.

In calculating efficient standards for consumption of communications services, the possible interchangeability of certain types of services with others was taken into consideration, along with the factors common for other sectors. Thus, achieving a high level in the provision of apartment telephones affects a decrease in demand for pay telephones to a certain extent. The same thing, although to a lesser extent, applies to radio installation services, the requirement for which is inversely dependent on the extent to which the people are provided with radio receivers.

An efficient standard for providing the population with living space (calculating per resident), as well as calculation of the differentiation in available housing according to the forms of ownership, inasmuch as a difference exists in rent according to the forms of available housing, was the basis for establishing an efficient level of rent.

In determining efficient standards for the population's consumption of municipal services, we have to start first of all from the proposed level of engineering for housing. With regard to the significant differences in the requirements made for the engineering of housing in cities and a rural locality, the initial parameters were examined separately in the preliminary stages of calculation. And the average weighted indicators for providing dwellings with individual types of municipal conveniences were obtained only on the basis of the features calculated for the city and the countryside. Then efficient standards for consumption of individual types of municipal services were determined on the basis of either the specific number of consumers making

use of one type of municipal service or another or the dimensions of the living space furnished with the appropriate type of municipal conveniences and the average expenditure for each type.

Efficient standards for consumption of the services of children's institutions depend not only on the extent to which children are provided with the services of institutions of different types, as applied to an appropriate age group, but on the policy of the state with respect to the type of services cited. The introduction of additional paid vacations to care for children and a transition in the future to universal education in general education schools beginning at age six, which will reduce the demand for children's preschool institutions, was taken into consideration in particular. Reduction in the amount of parents' payments for the services of pioneers camps and boarding schools will have an effect, on the whole, on a change in the magnitude of an efficient standard for consumption of the services of children's institutions.

The basic initial indicators in calculating efficient standards for the population's consumption of services for spiritual development were the indicators of average attendance at different cultural and art institutions and the average rates for one-time service by types. The characteristic that the population's attendance at motion picture theaters is declining, according to the film distribution system, was taken into consideration.

Formulation of efficient standards for the population's consumption of paid services in the recreational service system (sanatorium and health resort institutions and rest homes, tourism and excursion services, physical culture and sports institutions) was based on preferential development in the future of organized forms of relaxation, paid for primarily by the population (excluding the services of sanatorium and health resort institutions). Especially widespread development has been envisioned for active forms of relaxation: tourism, paid sports sections, and so forth.

In the concluding stage of developing efficient standards for the consumption of paid services, their quantitative estimates were subjected to analysis from the viewpoint of the possible time inputs by the population for their consumption. Two features were utilized as aims in this case: a) possibly maximum reduction in unproductive time inputs for housework and a broader "assimilation" of services for free time by the population (1); and b) an "accommodation" of the amount of service consumption proposed by the efficient consumer budget (RPB) in a temporary space of the population's combined budget of time. In a number of cases, the standards for consumption of paid services were reduced somewhat for observance of the second requirement.

The structure of efficient standards for the consumption of paid services by the population of the USSR is set forth in the following table. Their overall volume, calculating per resident, will exceed the actual level of consumption by three times as much.

As we see, in the overall structure of the population's expenditures for paid services, the highest proportion will continue to be for domestic, housing and municipal, and transport services. The significant extent of consumption of paid services in the future (within the framework of the RPB) and their

structure are predetermined by an increase in the material wealth provided to the population, by a significant increase in the cultural and educational level of the population, and by the structure of the population's demands for services, which is raised in this connection. Improvement in housing conditions, "enrichment" of habitation as a whole, and perfection of the socialist way of life are also linked with this.

Efficient Standards for Consumption of Paid Services by the Population of the USSR Within the Framework of the RPB (Calculated Per Resident Annually)

Services	Percent
Paid services, altogether.....	100.00
Including:	
everyday.....	27.83
transport.....	20.26
communications.....	7.29
housing and municipal.....	21.86
children's institutions and self-supporting educational institutions in the education system.....	2.53
for spiritual development.....	1.90
institutions for rest.....	7.91
institutions for tourism and excursions.....	6.04
institutions for physical culture and sports.....	1.45
self-supporting medical (except health resort) institutions.....	0.75
of a legal nature.....	0.30
of savings banks.....	0.03
all other.....	1.85

The large gap between actual consumption of services and an efficient level still does not mean that the population's demands for paid services are not being met to such a large extent this very day. After all, efficient norms in providing the population with clothing, footwear, household machines and appliances, individual motor transport, living space, and so forth have been reflected in efficient standards for consumption of separate forms of paid service. It is understandable that there cannot even be any demand for the repair of household equipment to such an extent, for example, if the population has not yet been provided with it on the scale of efficient standards.

On the other hand, the process of making consumption more efficient requires a long period of time to shape demands in the direction of their efficient structure.

In this connection, it must be stressed that comparison of actual consumption with efficient standards should not be made purely mechanically, without

additional economic analysis of consumption processes. Such correlations are correct only with regard to complete assessment of the trends in consumption of paid services that have actually taken shape and are desirable for society.

FOOTNOTE

1. There are estimates, for example, that actual time spent by the population on housework exceeds standardized indicators of efficient time budgeting (see L. A. Gordon, E. B. Klopov, L. A. Onikov, "Cherty sotsialisticheskogo obraza zhizni: byt gorodskikh rabochikh vchera, segodnya, zavtra" [Features of the Socialist Way of Life: The Everyday Life of Urban Workers Yesterday, Today and Tomorrow], Moscow, Znaniye, 1977, p 137).

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HOUSING AND PERSONAL SERVICES

MORE NONCASH TRANSACTIONS TO FIGHT UNEARNED INCOME PLANNED

Vilnius SOVETSKAYA LITVA in Russian 10 Jul 86 p 2

["Checks In Place Of Money"]

[Summary] An interview took place between A. Selyuta, the head of the administration of USSR Gostrud Savings Banks for Lithuania and the newspaper's correspondent. To support the CPSU Central Committee resolution "On Measures To Step Up The Struggle Against Unearned Income", Gosbank, Stroybank and Gostrud Savings Banks have been instructed to make more active use of noncash transactions among customers. Expensive purchases, such as a car payment or the buying of furniture, exceeding 5 thousand rubles will require a noncash procedure. Gostrud State Savings Banks will make personalized checks available in amounts of 2 hundred to 10 thousand rubles. If the amount of the purchase is less than the check amount, the purchaser will receive change for the difference.

Before 1 July, noncash transactions were in effect only at trade enterprises. Now this procedure is required for everyday services, construction and housing repair where the amount exceeds 5 thousand rubles.

In the near future, every Soviet citizen, who has a savings account of a thousand or more rubles, will be able to obtain a check book. With such a book, he will be able to make a purchase of over 25 rubles. The check will be valid for 10 days from the time it was filled out; the check book for a year from the time of its issue date. Such a system will be not only more convenient, but also more secure.

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CONSUMER SECTOR POLICY AND ECONOMICS

QUALITY OF REPUBLICS' TRADE SECTORS EVALUATED

Moscow SOVETSKAYA TORGOVLYA in Russian No 6, Jun 86 pp 9-13

[Article by Yu. Khimonin, chief of the Administration of Trade Organizations, member of the USSR Ministry of Trade Collegium: "Organizing Trade on a Contemporary Level"]

[Text] Moscow -- The policy outlined by the 27th CPSU Congress of further improving the well-being of the Soviet people on the basis of accelerated social and economic development of all sectors of the national economy obliges everybody to work in a new way, purposefully, counting on attaining a high end result. Strenuous and difficult work lies ahead which will require determination, self-sacrifice, self-denial and abandonment of everything obsolete and useless as well as of inertia in thinking. A high level of activity and creative search must constitute the present work style.

An important role in upgrading the material living standard of the Soviet people is assigned to trade. Moreover, increasingly greater importance is being attached to improving the quality of trade services whose end result aims at the fuller satisfaction of the population's needs, providing it with maximum conveniences in purchasing goods with the smallest material and labor outlays.

An increase in the volume of trade and expansion of the assortment of goods offer for sale and satisfaction of the growing demands of the population demand increased attention in strengthening the material and technical base of trade.

During the years of the 11th Five-Year Plan, store trade space in state trade expanded by 3.4 million square meters. Its provision per 1,000 inhabitants amounts to 175 square meters, or 89 percent of the norm.

The 12th Five-Year Plan provides for the accelerated development of refrigerators, general commodity warehouses and stores. The growth rate of provision of trade space for 1986-1990 is to exceed 2.7-fold the rate of the preceding 5-year plan, but by the end of the five-year plan operative norms will still not be attained.

Under these conditions, a rise of efficiency in utilization of the material base is for us one of the most important tasks of the 5-year plan. In the Political Report to the 27th CPSU Congress, the task was set of maximal mobilization of organizational and economic factors aimed at better utilization of the existing potential, first of all those which do not require large outlays but provide a quick and substantial effect. In our sector, trade organization is one such factor.

Practice has confirmed the advantages of large retail enterprises in the solution of many social and economic problems. They possess the most favorable conditions for the introduction of a modern technology in sales of goods and goods movement and the most effective utilization of trade areas, equipment and mechanisms.

Thus in the group of stores with a quarterly goods turnover of 40,000 to 100,000 rubles, commodity stocks are for 55-63 days and in stores with a goods turnover of 400,000 to 1,000,000 rubles for 43-45 days. Expenditures for wage payments are respectively from 3.9 to 4.6 percent and from 1.9 to 2.5 percent. Furthermore in the larger stores labor productivity is 1.6-fold higher. Amalgamation has made it possible to increase the size of the trade area served by one worker from 7.2 square meters in 1975 to 8.5 square meters in 1985, which means the release of 465,000 workers. At large enterprises, it is possible to use on a wider scale efficient forms of cooperation and division of labor. Currently, average store size in the country has reached 120 square meters.

In the past 10 years, according to the data of a survey by the USSR Central Statistical Administration, the share of stores with a quarterly trade turnover of more than 600,000 rubles has grown in the total number of enterprises from 6.5 to 16.8 percent and in trade turnover from 42.6 percent to 59.1 percent.

But, unfortunately, construction of small enterprises not provided by the official products list is continuing in a number of places. This is especially characteristic of the Georgian, Uzbek, Tajik and Turkmen union republics.

The low provision of trade areas makes it necessary to deal very carefully with liquidation of existing stores.

Each fourth square meter of trade space opened during the past 5-year plan went to cover that which was retired. The share of retirement is particularly great in Armenian SSR (28 percent), Uzbek SSR (35 percent) and Georgian SSR (44 percent). The practice deserves encouragement where together with the construction of new enterprises, stores with narrow specialization are set up in small trade-area enterprises ("Watches," "Neckties," "Photographic and Motion-Picture Equipment," "Seeds" and so forth).

It should be noted that when engaging in enlargement of enterprises, one should not be carried away by gigantomania, inasmuch as it in a number of cases results in an increase in the radius of operation of a store, which is

inconvenient for the population, and in underloading, which means low efficiency for it.

In determining an enterprise's capacity, it is necessary to consider the urban-development situation in its location and specialization on the basis of a careful analysis of expected buyer size, areas serviced and the presence in them of industrial enterprises, their work conditions and the number and structure of nearby stores and so on.

A survey showed that digression from these requirements augmented by violation of trade technological processes results in the fact that the load of goods turnover per square meter of trade space fluctuates in department stores from 8,000 to 27,000 rubles and in supermarkets from 2,000 to 12,000 rubles. Comparable fluctuations are noted in the volume of trade turnover per enterprise worker.

Two main trends have now been clearly established in trade organization:

specialization of the trade network and concentration of the sale of nonfood goods of complex assortment and of rare and sporadic demand;

maximum proximity to places of residence in the sale of food and nonfood products of everyday demand.

Great potential possibilities are inherent in these directions for raising the social and economic return from trade.

Calculations show that the introduction of measures aimed at concentration of goods of comprehensive assortment on the basis of rational specialization of the trade network makes it possible to increase by 1.3-1.5-fold retail trade turnover per square meter of trade space, to increase return on capital by 10-25 percent and to reduce by 20-25 percent time spent on looking for an item and completing the sale.

At the start of the 12th Five-Year Plan, the specialization level of the retail trade network for the country was 40 percent for fabrics and footwear, 52 percent for clothing, 78 percent for sports goods and jewelry and 90 percent for furniture. During the past 5-year plan, work became more active in regard to concentration in specialized stores of sales of goods of cultural, personal-service and household type and items produced by light industry. With a total growth of 13 percent, trade areas of specialized stores increased 19 percent, including 18 percent for the sale of furniture, 26 percent for electrical products and jewelry, 40 percent for clothing, 54 percent for photographic and motion-picture equipment and 60 percent for radio items.

But this work was not carried out sufficiently actively everywhere. The development of the specialized-store network, possessing great social importance, is lagging significantly. Thus provision of the network for the sale of children's goods amounts to only 43 percent, in Kirghiz SSR--36 percent and in Uzbek SSR 29 percent. This lag must be overcome as quickly as possible.

Saturation of the market with consumer goods and qualitative changes in the social life of the Soviet people demand constant and purposeful work pertaining to specialization of the trade network and concentration in the sale of goods.

Compilation of plans for development of the trade network and its qualitative change should proceed from an optimal correlation of the number of different type stores. Each specialized store needs to be considered within the complex of the city's trade enterprises in order to fully satisfy the needs of the population for consumer goods.

For the purpose of providing methodological assistance to trade organizations, the USSR Ministry of Trade sent to the sector "Recommendations for Rational Specialization of Stores," which could be used in carrying out specialization of the trade network both in developed and in developing cities.

In recent years, organization of the sale of goods has become widespread according to consumer complexes: "Goods for Children, "Goods for Women," "Goods for Men," "Everything for the House" and others have become widespread. For that reason the question has become acute on the need of forming the consumer complex "Goods for Youth" within the system of trade services. For the purpose of solving the problems of all-round and harmonious development of the individual, organization of the population's leisure time, artistic and technical work, sports activities, tourism, maintenance of private forms and the like, such stores as "Do It Yourself," "Able Hands," "Young Technician," "Goods for the Garden and Vegetable Patch," "Goods for Sports and Tourism" and so on are being developed that have nothing in common with earlier stores.

Today materials, billets, and also production waste suitable for technical work and use in everyday life come under consumer goods sold through trade organizations on the basis of contract prices. The work experience of the stores "Young Technician" (Leningrad and Kazan), "Do It Yourself" and "Able Hands" (Belorussian SSR) has been described in the sectoral press. Materials have also been repeatedly published on organization of trade for consumer complexes. The job of trade organizers is to introduce during the current 5-year plan positive experience in all the regions.

In addition to the trade network's specialization and concentration of the sale of goods, a leading place in satisfying the complex demand of the population belongs to department stores, houses of trade and trade centers. These types of enterprises have all the advantages characteristic of large stores. They have a broad assortment of goods, making it possible to carry out complex purchases at one time, including impulse buying, and the possibility exists of introducing advanced technology of trade processes, reducing the time spent in making purchases, providing customers various services and solving many other social and economic problems.

At the start of the 12th Five-Year Plan, state trade had 698 department stores and houses of trade with a total trade area of 1,709,000 square meters. In 1985 alone, department stores were opened in the city of Ulyanovsk (area of

trade hall 3,500 square meters), Belaya Tserkov (5,500 square meters) and the Yasenevo Housing Development in Moscow (6,000 square meters), in Gomel (6,600 square meters) and trade centers in Omsk and Togliatti (11,000 square meters each).

Department stores and houses of trade, occupying 12 percent of the trade area of nonfood stores, provide 21 percent of the total volume of their trade turnover.

In solving the problem of rational organization of trade in food and nonfood goods of every-day demand, a special role in the 12th Five-Year Plan and for the long term is assigned to supermarkets. The accelerated development of stores of this type is of great social importance as it contributes to reducing the time spent in making purchases of goods in frequent demand.

As shown by surveys, of the total volume of time spent on making purchases, 70 percent is spent in going to stores and returning and searching for a needed item and only 30 percent directly on the purchase process.

At supermarkets and stores equated with them, the customer has a broad assortment of goods of every-day demand. This eliminates the need for him going to 5-6 stores of the customary goods profile and reduces by 20-30 percent the time spent in looking for and making purchases. Supermarkets possess the most favorable conditions for introducing a progressive technology for selling goods and goods movement, labor organization and cooperation. Calculations show that here it would be possible to increase by 20 percent goods turnover per square meter of trade space and to boost labor productivity by 25 percent and profitability 1.5-fold.

According to long-term calculations of scientists, the share of supermarkets in the total volume of trade space of food trade should amount to 70 percent. During the years of the 11th Five-Year Plan, their development was speeded up. The trade area of supermarkets increased more than fourfold in Ukrainian SSR, more than threefold in Lithuanian SSR and Kazakh SSR and more than twofold in Belorussian SSR and Uzbek SSR. In Estonian SSR, almost 24 percent of the trade area of food stores belongs to supermarkets. But at the present time, this indicator has not reached even 7 percent as an average for the country. In addition to construction of supermarkets, during the current 5-year plan modernization of food stores with a general assortment (area of trade room 400 square meters and more) and their changeover to the new technology of trade processes and goods movement will undergo accelerated development. The sector has now more than 3,000 stores which are to be shifted into the supermarket category.

Expansion of the sales of nonfood goods of everyday demand in supermarkets and large general-assortment food stores is of major importance to raising the quality of service and best satisfying the needs of the population. A scientifically valid approach to forming an assortment, labor organization, supplying of goods and sales technology has made it possible in Estonia and Belorussia to bring the proportion of all these goods up to 10 percent, while in many supermarkets in the RSFSR, the Ukraine and the Baltic, the figure is up to 15-18 percent. At the same time, it is less than 6 percent for the

country. The sector has been assigned the task of bringing this figure up to 15-20 percent by the end of the 5-year plan. This will be accomplished given the condition of a proper combination of an all-round assortment of food and nonfood goods of everyday demand. Unfortunately, many trade personnel believe that this concerns goods of "accompanying" assortment. This is untrue. It is necessary to take into account possible purchases at the same time of various goods for the satisfaction of everyday needs. These must be as a rule goods of a simple assortment and relatively frequent demand acquired primarily at the same time "under the same roof." It is perfectly inadmissible that in the pursuit of higher percentages technical complex products have been sold in supermarkets or separately standing nonfood stores have been attached to them as affiliates.

As shown by a survey, the chief prerequisite for forming an optimal assortment is the rational solution of the problem of goods supply as, for example, in Belorussia where distributing warehouses have been created at 10 rayon food trade establishments.

In the economic plan, each percent of increase of the share of sales of nonfood goods at supermarkets provides 200 million rubles of additional trade turnover and releases approximately 20,000 square meters of trade space used for the sale of nonfood goods of everyday demand in other stores and as a result of which creates additional conditions for concentrating in them the sale of goods of a more complex assortment.

The relative share of goods sales by means of the self-service method amounted to 57.7 percent in the beginning of 1986. It is planned to have it reach 65 percent by 1990, that is, the growth rate will exceed threefold the rate of the 11th Five-Year Plan.

The task has been assigned to trade organizers. Concrete targets were established for ministries for putting out goods in packaged form. The size of deliveries of packaged food products in the retail network should amount to 67 percent in 1990 in place of the 38 percent in 1984. But it is very important to rationally utilize packaged products specifically for the development of self-service. According to data of the USSR Central Statistical Administration, in Armenian SSR 18 percent and in Azerbaijan SSR 47 percent of the total quantity of packaged goods are sent to stores that do not have self-service, while the needs of supermarkets are being satisfied respectively only 43 and 40 percent.

Improvement of the qualitative side of self-service demands special attention. It would be naive to think that the advantages found in self-service as in other progressive forms and methods work automatically and reveal themselves of their own accord. They require single-minded, daily, painstaking work. The technology of trade processes is not adhered to everywhere. Frequently, principles of layout and disposition of goods in the trade hall are frequently violated. The turnover rate of goods, buyer runs and their intensiveness, consumer properties of goods and their distribution among consumer complexes, buying habits and the like are frequently violated. There is a need to improve advertising of goods and information for customers. The technological solution for the entrance and exit area and the organization of all its

constituent elements beginning with provision of customers with product baskets and ending with packing of the purchased items are frequently violated. This procedure is determined by the rules of operation of a self-service store and it is necessary to demand that it be strictly observed.

The fact is that the smallest deviation from the organizational principles of self-service reduces its social and economic effectiveness and sometimes on the whole reduces it to zero. The acute "problem of lines" remains. But it is necessary to recognize that trade organizers are insufficiently concerned with it. The most important thing here is to arrange the work of inspectors-cashiers. The survey showed that at enterprises where the "Model Plan for Organization of the Work Site of a Self-Service Store's Inspector-Cashier" was used, labor productivity increased 10-15 percent. The time of checkout and payment for buyers is reduced by 20-25 percent where cashiers use the "blind" work method. Why has it not found wide use in practice? The answer is simple: on the one hand, the qualifications of inspectors-cashiers are low and, on the other, incompetence of heads of many enterprises. As shown by the results of a questionnaire survey in 15 of the country's cities, 70 percent of the surveyed cashiers responded that they had not freely mastered this method even after finishing school, while more than 60 percent of the surveyed heads of trade enterprises answered that they had not even heard of such a method. Consequently there, of course, cannot even be talk of their organizing work on upgrading the qualifications of inspectors-cashiers.

Many other measures increasing the intensiveness of the operation of pay units: transfer to remuneration of labor depending on the number of completed payment operations, the employment of ribbon schedules for cashiers coming to work while taking into account the intensiveness of buyer flows, the establishment of express cashier stands, additional extensions to the counter of a cashier's cubicle so that the customer has the possibility of preparing for the checkout, clearer designation of the price for packing, informing customers on the rules of placing goods in the goods-carrying basket and so on.

At a seminar in Yaroslavl involving the participation of all chiefs of the country's oblast trade administrations, the question was discussed of setting up common checkout points in large nonfood stores, including department stores. Taking into consideration the experience of Chernigov Trade center and department stores of Yaroslavl and Penza, Temporary Recommendations on Organizing Common Checkout Points were worked out in the beginning of 1985 and sent to the sector. The range of introduction of this innovation is being expanded, especially in cities of the RSFSR, Belorussia, the Ukraine and Lithuania.

The problem of lines is associated with the not yet entirely resolved task of establishing optimum operating schedules for stores. In determining the schedule of each particular store, a careful study should be made as a rule of customer flow according to the hours and days of the week, together, if necessary, with tape graphs of working attendance, workers engaged in part-time work, and those holding down two jobs. It is necessary to take into consideration the store's location, its range of goods, the presence of trade

enterprises nearby as well as the work schedules of industrial enterprises and institutions.

To find solutions making it possible to combine the interests of customers and problems of making the best use of worktime by the store's personnel is the creative concern of many services, especially trade organization and scientific labor organization.

The economic and social advantageousness of organizing the sale of large-size goods on the basis of samples and their delivery to the home directly from manufacturing enterprises while bypassing the store has been justified and confirmed. Transition to this method of operation during the last 5-year plan made it possible for 680 stores to create additional conveniences for the population for purchasing goods and to reduce twofold expenditures on loading and unloading operations, 2.0-2.5-fold on shipments and to free more than 100,000 square meters of trade and storage area for organizing the sale of other goods.

Of the total number of stores shifted to this method of sales, 37 percent are in RSFSR cities and 42 percent in the Ukrainian SSR. This work is actively being carried out in the Belorussian and Azerbaijan union republics. During the current 5-year plan, it will be necessary to accomplish this essentially everywhere.

A pressing need exists for accelerated development of commission trade. This will be facilitated by the new procedure of appraising and reappraising articles while taking into consideration the interests of the population. It will be introduced everywhere as of 1 July 1986.

The significant changes in the Soviet people's social life call for further improvement not only of traditional but also out-of-store forms of selling goods: at entertainment enterprises, at places of mass recreation of workers, at enterprises of personal and municipal services, in trains and on airplanes. It is necessary to use more widely such forms of trade as fairs, bazaars and sales exhibits.

An inadequate level of development of the trade net in small cities and the difference in conditions of trade services for residents of large settlements far removed from centers where it is not always advantageous to build large stores or to have a broad selection of goods that are rare in demand make necessary the development of mail-order trade. Bases of Rosposyltorg ship daily 11 million parcels for a total of up to 300 million rubles. Basic Directions of USSR Economic and Social Development for 1986-1990 and for the Period to the Year 2000 provide for accelerated development of mail-order trade. It is contemplated to set up even in this year mail-order trade for large department stores and houses of trade. Such experience exists: the Leningrad Gostinyy Dvor Department Store fills daily 50,000-60,000 orders totaling 5 million rubles.

As derived from the decisions of the 27th party congress, the need of a fundamental revision of the economic mechanism and the creation of an integrated effective and flexible system of management uniting into one

related sectors requires of us the adoption of more effective measures. The disparity of the operational interests of wholesale and retail elements requires the creation of a competent and effective control structure.

In a number of cities and oblasts work has not been completed of delineating areas of operation of trade organizations and enterprises of different departmental subordination and eliminating parallelism. So far in addition to rayon food-trade organizations, general city specialized trade organizations are functioning in many cities for the sale of food products. Cost-accounting operation of trade by city ispolkoms is being introduced slowly and in a number of republics (RSFSR, Turkmen SSR, Kirghiz SSR and others) they do not exist so far, although positive work experience is found for such trade organizations in Lithuanian SSR, Latvian SSR and Estonian SSR.

There are many collectives in the sector for whom trifles and "unimportant" questions do not exist. They are characterized by an attraction toward everything new and advanced and love of their work.

The duty of all the sector's personnel is to see to it that the experience and style of work of leading enterprises become a common property in a short time.

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RSFSR LIGHT INDUSTRY REPORT ON PRODUCTION SHORTCOMINGS

Moscow EKONOMICHESKAYA GAZETA in Russian No 30, Jul 86 p 9

[Article by Staff Correspondent Yu.Tartanov under the heading: "Put Product Output Under the Control of the Deputies": "What is Behind the Figures in the Accounting Report?"]

[Text] A joint session of the industrial commission and the commission on science and technology was held at the RSFSR Supreme Soviet. The deputies heard an accounting report from the RSFSR Ministry of Light Industry on accelerating scientific-technical progress in the branch. An exacting discussion was held on the technical retooling of its enterprises and on raising product quality on this basis.

The working collectives whose activities are brought together under the Ministry of Light Industry of the Russian Federation have been assigned a significant role in carrying out the Comprehensive Program for Developing Production of Consumer Goods and the Services Sphere for the Years 1986-2000.

Today 432 production associations and enterprises are in operation in the branch; they produce 55 percent of the total production volume for consumer goods in the republic, and about half the total volume of the production in the system of the USSR Ministry of Light Industry. Three planning-designing and technical bureaus with a total work volume amounting to over five million rubles, special artistic-design bureaus, dozens of modeling houses, and selection offices have been summoned to devise a strategy for accelerating scientific-technical progress.

And how is this course being maintained? How rapidly is the potential of the latest achievements of science and technology becoming a reality in production? Have the efforts of the scientific workers, designers, draftsmen and production workers been brought together as closely-knit combined interests?

Before these questions became the subject of discussion at the joint session of the commission on industry and science and technology, a great deal of preparatory work was carried out. A group of 27 deputies who are members of the commission checked out the state of affairs at light industry

enterprises in Moscow and Leningrad and in 25 oblasts, krays and autonomous republics. Materials were prepared by numerous deputies from local Soviets, and by officials at the State Committee on Science and Technology, at Gosplan, at the RSFSR Ministry of Finance and the Central Statistical Administration, and at the Russian Republic's office of Stroybank USSR. Taking part in the commission's work was Ye.F. Karpova, deputy Chairman of the RSFSR Council of Ministers.

In his speech before the deputies, RSFSR Minister of Light Industry B.I. Zatelepa dwelt mainly on the branch's successes. A complex of organizational and technical measures was implemented to expand the scale of introducing the achievements of science and technology, to improve the use of the existing scientific-technical potential, and to develop modeling. The 86.6 percent increase in production volume in the 11th Five Year Plan was achieved precisely because of the introduction of scientific-technical measures.

The minister reported to the deputies that the entire increase in product output is being achieved by virtue of growth in labor productivity, which has increased by 16.5 percent. The introduction of labor-saving technology and equipment permitted saving the labor of 98,000 workers and compensated for the loss to the branch of 87,700 people. The degree of labor mechanization increased from 56.3 to 60.2 percent.

What is important to the purchaser, however, is that a wide variety of high-quality goods appears on the shelves, not figures--no matter how noteworthy they may be. This problem is concealed, it would appear, behind a "curtain of figures." As the speaker noted, the indicators for quality and assortment of product output "have improved somewhat."

And now let us familiarize ourselves with the opinions of the deputies on the "basic end results of the work of the ministry."

Information From Deputies' Preparatory Commission

During the past five-year plan production volume in the branch increased by a mere 2.6 percent, as compared with the planned 18.7 percent. Growth of labor productivity amounted to 16.5 percent, whereas the task called for a 20.4 percent increase. Lost profits amounted to 610 million rubles, or 6.3 percent of the planned amount.

The state plans for developing science and technology were not fulfilled for a single year. In 1985, the assignment for introducing complex mechanized lines for manufacturing articles of clothing was not carried out.

Planned indicators for putting scientific-technical achievements on-line were not achieved: neither for releasing 7,700 workers, nor for 15 million rubles in savings from reduced operating costs.

The plan for producing articles from the garment industry was not fulfilled in terms of standard processing cost, for leather footwear, hard and chrome leather goods, and cultural-domestic and household goods. For the last three years of the five-year plan alone, the ministry's enterprises failed to provide 257 million rubles worth of consumer goods.

With "end results" like these one would naturally expect the speaker to offer a critical analysis of the shortcomings; however, after expressing the opinion that one must not "be satisfied with" the results, and that they "might have been much better," he immediately switched to the optimistic prospects for the future and the tasks facing the branch in the 12th Five Year Plan: "We are obligated to increase production volume by 23.8 percent. There has not been such growth in any of the preceding five-year plans."

What's true is true. But for the last five years, the branch has in essence been marking time. In this connection there is truly a great deal to do. In particular, the ministry connects fulfilling the assigned tasks with directing a significant proportion of capital investments toward technically retooling its enterprises--57 percent of the total volume. One could hardly cast doubt on the progressive nature of such a trend. But, while assigning such significant assets for renewal of its industrial base, one must truly be concerned about high yields as well. In this connection it would seem appropriate to cite the following remarks by B.I. Zatelepa: "During the past five-year plan, nearly 565 million rubles--which is about 70 percent of the total volume of capital investments allocated to the branch--were expended for technical retooling of the branch, and renewing the industrial base through introduction of the achievements of science and technology."

Pay attention--expended! This word could be considered a slip of the tongue were it not for the facts which the deputies uncovered while preparing for the session:

In a number of cases, in the drafts for new construction and the plans for technical retooling, reconstruction, and expanding the existing enterprises, obsolete equipment and technological processes were laid out--which did not permit efficiently retuning production for the manufacture of new products in accordance with changes in consumer demand. For example, at the Zaraysk shoe factory in Moscow Oblast, 400 pieces of obsolete and worn-out equipment were transferred from the old shops and installed in the newly-constructed manufacturing facilities--this amounts to over 50 percent of the equipment installed; and in the Taldom shoe factory in this oblast it was 56 percent.

From the Speech of the Rector of the Far East State University, Deputy V.V. Gorchakov:

Two scientific subdivisions of light industry are situated side by side in Khabarovsk. One is in a semi-basement, in crowded conditions; the other is in a half-vacant building, in comfort. You'd think they would get together; but no--you see, they are from different departments: one is with USSR Minlegprom [Ministry of Light Industry], and the other with RSFSR Minlegprom. One would think they solve problems in different ways.

I'd also like to add that 50 percent of the specialists at the branch of the Central Scientific Research Institute for the Garment Industry do not in general even have higher education. Now that is science for you. What sort of output should we expect! They themselves should be studying, and then some.

The deputies also made strict demands on Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], which over the past five years is in arrears to the republic Minlegprom for more than 90,000 units of various kinds of appliances. And here is a review of its technical level.

From Expert Analyses by the Scientific-Technical Commissions of the USSR State Committee on Science and Technology:

Thirty-eight percent of the equipment produced by Minlegpishchemash for light industry does not meet the requirements of the times and should be withdrawn from production or else modernized. It is greatly inferior to foreign-made analogs in terms of productivity, capability to provide a range of goods, and being equipped with automated and microprocessor technology.

It was namely Minlegpishchemash which turned its hand--or more aptly has not yet truly turned its hand--to the task of more rapidly renovating the pool of technological equipment of the republic's light industry. As of the present more than 37 percent of the equipment here has been in operation for more than 10 years, and is both obsolete and worn out. As far as the Ivanovo and Smolensk garment associations are concerned, the Krasnoyarsk "Siberian Toys" factory and many others, the ratio of such equipment at these places amounts to 50 percent and more.

The equipment on the facilities of many enterprises is much the same--it is decrepit, unadaptable, and is clearly unsuitable for installation on new, highly productive lines. It is noteworthy that in making his report to the deputies, the RSFSR minister of light industry stressed the fact that the branches are allocating fewer capital investments than they would like to. In this he, the minister, is himself guilty--one must demand more firmly. One would think that in the given situation the words which he spoke--on more energetically putting into action the principle of paying one's own way, developing the creative initiative of the collectives, and improving contacts with the subcontractors--are most suitable. By the way, in the last five-year plan 28.3 million rubles in capital investments in the branch went unspent.

Devotion to the concept of receiving a few more assets was also displayed by the ministry in solving the most important social questions of the day in the branch. Many problems in this area are specifically connected with the insufficient allocation of capital investments. Incidentally, here is one of the typical situations cited at the session:

Information Courtesy of Deputy N.F. Grachev:

Almost 50 percent of the profits of the Sverdlovsk Uralobuv Association went to paying fines for low-quality shoes, which was their own fault, and for violating contracted obligations. In the last five-year plan alone, such fines amounted to more than 7 million rubles. These funds could have been directed toward technical development and improving the socio-domestic conditions of the association's workers. Fundamental reorganization of production is required in order to manufacture high-quality goods.

As we see, it's not so much a lack of assets as it is a lack of initiative and lack of a creative approach to the matter. The analysis conducted by the deputies showed that the branch is doing a poor job of developing labor and production organization--the level of manual labor is high, especially in auxiliary production (46 percent), and for loading and unloading, transport and warehouse work (67 percent).

The problem of furnishing housing for the workers of light industry remains acute. At the very same time only 93 percent of the capital investments for these purposes was utilized in the 11th Five Year Plan; for this reason more than 65,000 square meters of living space was not put to use. And they are talking about lack of funds.

Housing construction is being carried out poorly in the Tuva ASSR, in Krasnoyarsk Kray, and in Gorkiy, Kostroma, Novgorod, Rostov, Sverdlovsk, Smolensk, and Yaroslavl Oblasts. Children's preschool establishments are at about 86 percent of the required level. The self-help construction method was not widely utilized for housing construction, which is one of the main reasons for the situation which has come to pass.

Unfortunately, even the local Soviets of People's Deputies themselves have had little to do with this; they are not displaying a high degree of demandingness toward the administrators of light industry enterprises; they are not offering them assistance in bringing their cadres up to strength, nor in solving social problems. There are, incidentally, some good experiences to relate, and Deputy Yu.G. Samsonov, secretary of the Ulyanovsk party obkom, imparted them in some detail.

There was a time, for example, when in this oblast many people were leaving the enterprises of the textile industry. At that time they did not try to "shake out" funds, but set about building housing through the self-help method. And it worked. Today these enterprises are fully staffed with workers in all specialties. Every year they introduce 10-12,000 square meters of housing by the self-help method; and the question of children's pre-school facilities is closed. Wide dissemination of such practices should be a matter of paramount importance to every local Soviet, to each administrator, to the party organs, and of course, to RSFSR Minlegprom.

The deputy's commissions of the RSFSR Supreme Soviet, in their resolution, recommended to the Councils of Ministers of the autonomous republics, to the ispolkoms of kray, oblast, Moscow and Leningrad city Soviets of People's Deputies that they step up their organizational work and their demandingness in questions of introducing scientific-technical achievements at light industry enterprises; and that they take a more active role in disseminating progressive experience.

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CONSUMER SECTOR POLICY AND ECONOMICS

KOMIN DISCUSSES RETAIL PRICE POLICY CHANGES

Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Aug 86 pp 1-2

[A. Trushkin and S. Yuryev "Hot Line" interview with First Deputy Chairman of the USSR State Committee on Prices Anatoliy Nikolayevich Komin: "Let's Consider!"]

[Text] 1200 hours. First telephone call. It proves to be the "Mayak" [Beacon] radio station.

[Question] Excuse us, Anatoliy Nikolayevich, but we would like to ask you a question in the name of our radio audience. Since 1 August the prices of children's commodities have been reduced. Does that reduction apply only to children in the first grade or does it also apply to older children? Because this is more important for children in grades 8, 9, and 10, because they have to buy uniforms.

[Answer] We have reduced the prices of children's clothing made of woolen fabrics and also the prices of woolen knitwear of all sizes up to 46. So it does apply to children in grades 8 to 10.

[Question] Thank you. That's a great help, especially for families with several children. We also have a second question. Aren't we talking about a reduction in the prices of items that are not particularly popular? For example, shoes that a child would be ashamed to wear?

[Answer] No, we are not talking about items like that. They will simply have their prices reduced.

[Question] Do you mean by an end-of-season sale?

[Answer] No, a price reduction on unpopular items. But there will also be end-of-season sales. But the commodities for which the prices are currently being reduced -- for example, shoes and carpets -- are all selling well.

[Question] Thank you. At 1300 hours we go on the air.

[Question] Hello, Moscow? This is Baku on the line. Hello, Anatoliy Nikolayevich! I'm a music teacher with a question for you. Recently I was in

Czechoslovakia, where all the prices in kopecks have been rounded off. That's very convenient. Why don't we do this in our own country?

[Answer] At the present time all the prices of new commodities are necessarily rounded off -- to five kopecks, to ten, to a ruble, and even to 10 rubles, depending upon the price level. As for the old prices that developed historically, unfortunately we cannot do anything yet with them. It will be necessary to issue all the price lists, and that will be very expensive.

[Question] This is Kishinev calling. My name is Semen Frunze. Anatoliy Nikolayevich, I am planning to buy a color television set. Could you please explain to me why its cost also includes the cost of a service warranty?

[Answer] That decision was made about ten years ago. I think that we will be changing our mind about that now. The quality should be under warranty, and it is logical that the customer should not have to pay for that. If there is an inferior product, let the manufacturer of that product pay.

[Question] I have another question. I heard someone in a bus say that he had bought a Sony television set. After six months something went wrong with it. He wrote to that company's office in Moscow, a repairman came out to his house, replaced something in the set right there, and also wrote out a check for 80 rubles. To compensate for any inconveniences the customer had had. Is that a cock and bull story?

[Answer] No, it is completely possible.

[Question] Has that ever happened with one of our television sets?

[Answer] I think that we should strive to achieve that. We must definitely introduce a procedure that would guarantee trouble-free operation.

[Question] Anatoliy Nikolayevich, this is Cheboksary calling. I work as a proofreader for a rayon newspaper. I want to tell you that our people, our rayon, approve the increased prices of alcoholic beverages. This is my question: our store sells shoes made by the Dzhambul Combine. Do you know what kind of shoes these are?

[Answer] We already know about that combine. That combine has sent out of its warehouses consignments of shoes that, one might say, have still had the bristles on them. Obviously, those shoes should be returned to the combine. I'll make a note of that for myself. We will establish prices for their shoes that will result in a loss for them, so that they won't produce them anymore. In general I can tell you that this is a serious question. The trade must be more active. People should be bolder in recommending to us that the prices be reduced for inferior commodities. But the principle that still prevails for us is: if we've sold it, that's good, but if we haven't sold it, that's not bad either. Recently the CPSU Central Committee and the USSR Council of Ministers adopted a decree concerning trade. Now the situation will be: take this commodity that you have ordered. Then, if you haven't sold it, pay increased interest for credit and get less wages. Then those people will certainly hustle, and they will reduce the prices of the shoes with "bristles"

more quickly. But the prices will now be reduced at the expense of the producer, at the expense of the profit earned by the enterprise that produced them. That's right. Incidentally, we are giving increased profitability for better-quality commodities. As you probably know, we are establishing price markups for new items, and we also apply other economic measures.

[Question] My name is Lyubov Antipova. I live in Moscow. I'm an engineer. Anatoliy Nikolayevich, could you tell us whether blue jeans are an item for young people? But is the price one that young people can afford? A hundred rubles! For a pair of pants and a zipper...

[Answer] American blue jeans cost 100 rubles. But we now have our own, Soviet-produced blue jeans of rather good quality. And they cost 50-60 rubles. You can frequently find them in stores. But we should increase their production.

[Question] And who establishes the price of barrettes made of ordinary plastic? Two and a half rubles.

[Answer] For the most part, local industry produces small plastic articles, and the prices are established locally. I have made a note of your question. I'll have to investigate it. It seems to me that what we're dealing with here is an obvious attempt to raise prices.

[Question] My name is Valeriy Petrov. I live in Volgograd. Anatoliy Nikolayevich, things are really tough for men on Eighth of May Day. The price of French perfume has practically doubled...

[Answer] Valeriy, there's no way I can help you. If people didn't buy that perfume, we would lower the prices. But people are still buying it.

[Question] Hello. My name is Vladimir Antonov and the students at Moscow Pedagogical Institute imeni Lenin have asked me to call you. Do you think that it is possible for people to live on a stipend?

[Answer] No, it's not possible. The stipend is lower than the minimum living wage that has been established in our country. We certainly do not feel that a student will be able to clothe and feed himself and buy shoes for himself, all with 40 rubles. Unfortunately, the government cannot yet provide all students with high stipends. Consequently, their parents must help them. Either that, or the students have to get a part-time job.

[Question] My name is Aleksandr Nikolayenko. I live in Moscow. Could you please tell me whether the State Committee on Prices can isolate a special group of commodities for young people, as it has done for children's commodities?

[Answer] Your question, Aleksandr, is a reasonable one, and it is currently on our agenda. A decision with regard to this matter will be made very soon.

[Question] My name is Aleksey Gridin, and I'm an engineer. How much will an Oka car cost?

[Answer] Approximately the same as a Zaporozhets.

[Question] My name is Andrey Sudakov and I'm a driver at Taxi Pool No. 14 in Moscow. Anatoliy Nikolayevich, it's necessary for the prices of juices to be reduced. It's unbelievable! Cherry juice, a ruble. Grape juice, a ruble. It's not everyone who will buy it at that price.

[Answer] You're absolutely correct. We'll be thinking about juices.

[Question] Anatoliy Nikolayevich, hello! My name is Aleksey Sergeevich Vadyukin, and I have been a CPSU member since 1966. A few years ago the price of coffee was raised. The explanation given was that there had been a poor harvest and it was temporary. But a lot of time has passed since then!

[Answer] We raised the price of coffee because, first of all, that is what resulted from the situation on the world market. And, secondly, people used to have to stand in line to buy coffee. Now it is easy to buy coffee. But we did not increase the purchases and we do not plan to increase them. We do not have enough foreign currency for that purpose. It goes to meet other needs that are more urgent.

[Question] Anatoliy Nikolayevich, my name is Kopylov and I'm a worker. Why was the decision concerning the price change published on that very day, rather than ahead of time?

[Answer] We always do it this way to prevent the creation in the trade system of any rush to buy up certain items or any sluggishness in the sale of items for which the prices are being changed.

[Question] Hello, Anatoliy Nikolayevich. My name is Sergey Brovashov, and I'm a KOMSOMOLSKAYA PRAVDA special correspondent in Barnaul. Some Altay readers have asked me to call you. I would like to ask a few questions about the market. If a person at the market sells meat for 5 rubles a kilogram, is he a speculator or an honest merchant?

[Answer] He's an honest merchant. Judge for yourself: the government has to procure beef on sovkhoses and kolkhoses at a price of more than 5 rubles a kilogram. The price of pork is 4 rubles a kilogram. The government sells foodstuffs at a price that is much lower than their production cost. For example, we sell a liter of milk at a price that is 30 kopecks cheaper. And it's the same with meat, bread, and other products. Therefore many people have got the idea that the market prices are excessive.

[Question] But two points of view exist. Some people think that it is necessary to establish a price ceiling at the market. Others say that, at the market, it is necessary to combat the high prices by abundance.

[Answer] I am not a proponent of administrative measures. At the market the prices must be established in accordance with the market principle. And, of course, the only way that one can combat the high prices is by abundance. At the present time the kolkhoses and sovkhoses have been given the right to sell

their produce at the market. That will count toward the fulfillment of the state plan. That is, the kolkhozes are directly invited to go to the market. In order to sell, to engage in trade, and to supplement their monetary income. And that will cause the prices to drop at the market.

[Question] Has a price ceiling been established for the kolkhozes?

[Answer] No. They will sell the output at the price that has developed at the market.

[Question] Telegram from Dushanbe. Akhmad Usmanov, senior foreman at the Tdazhikgidroagregat Plant, asks, "The statement was made at the 27th CPSU Congress -- carry out the planned reorganization of prices. What does that mean?"

[Answer] That's a big question. I'll try to answer it briefly, in a few words. It is necessary to create a price system that would correspond to the present-day requirements of economic administration. Today it is necessary to assign an important role to the commodity-monetary relations in our economy. Prices must be based on the actual expenditures of society and must correspond to the consumer properties of the commodities, to the economic interests, and to the economic laws in which our economy develops. It is necessary to reconsider the wholesale, purchase, and retail prices, and to introduce order into them. Because, for the time being, we still have a large number of discrepancies and contradictions. We are currently working on this questions, jointly with Gosplan, Minfin [Ministry of Finance], and science. And we are supposed to submit our recommendations concerning the reorganization of the entire price system in the national economy to the directive agencies so that they can make definite decisions.

[Question] Anatoliy Nikolayevich, I have a question for you from Tyumen. My name is Oleg Adylov. Isn't the explanation for the price increase for vodka and wine that the government has suffered losses as a result of a decrease in their sales?

[Answer] It is true that the government failed to take in 5 billion rubles in this half-year alone as a result of the decrease in the sale of wine and vodka products. The current price increase is supposed to cover those losses. But that is not the crux of the matter. By increasing the price, we are pursuing the goal of the further reduction in demand. We'll see what has to be done later on.

[Question] But why has the price of vodka gone up specifically by 2.30 rubles, rather than by 2 rubles or 2.50 rubles?

[Answer] We established the base price. Stolichnaya is 10 rubles, without any kopecks. That's all there is to it. All the other prices were computed from that base price.

[Question] I'm calling you from a pay telephone across the street from a wine store. The line outside the store is colossal. Everyone who comes out is carrying five bottles in his arms. Why can't people buy it by the case?

Anatoliy Nikolayevich, doesn't it seem to you that this is at least strange? Because it really is beneficial for speculators!

[Answer] Is this happening in Moscow? I'll discuss this matter with the trade department of Mossovet. You are absolutely correct in raising this question. It's necessary to introduce a strict norm.

[Question] Anatoliy Nikolayevich, my name is Milana Bogdanova and I live in Moscow. Won't the reduction of the sale of wine and vodka, and the increase in their prices, lead to an increase in drug addiction?

[Answer] Of course that danger exists. But that does not mean that we should not fight drunkenness. It is necessary to fight both -- drunkenness and drug addiction. These measures, and they are serious ones, as far as I know are being taken in our country.

[Question] My name is Tamara Ivanovna Spravtseva, and I'm a worker at a DEZ [diesel-electric plant]. In recent years a large number of international measures have been carried out in the capital: the Olympic Games, the Youth and Student Festival, the Goodwill Games. Isn't all this rather expensive for the government?

[Answer] Of course there were large expenses. But we get back some of them by attracting the public as spectators. During the international competitions we also get foreign currency.

[Question] Another telegram. "Please explain the difference between the production cost and the price of passenger cars. Gulya Khusannova, statistics worker, Spartak Tatar Shoe Production Association."

[Answer] Production cost is what it costs an enterprise, for example, the AZLK, to produce one Moskvich, or VAZ to produce one Zhiguli. By memory I cannot say to the ruble, but the approximate production cost of a Zhiguli is about 2500-3000 rubles. The retail price is 7000-9000. The fact of the matter is that, when establishing such prices, we orient ourselves on supply and demand, on the market situation. Cars sell very readily in our country. During a year we sell more than 800,000 of them. That means that the public has the money. Consequently, the conditions for lowering the prices do not exist. Why should we do that? So that people can stand in line for years? Two years ago we reduced the prices on the Zaporozhets, because there was a sluggish demand for that car. The market situation prompted that decision.

[Question] I'm calling from Kazan. My name is Edimir Distanov, and I'm a junior scientific coworker. As everyone knows, in our country the average wages are 200 rubles. Who are the jewelry items that cost many thousands of rubles intended for? For swindlers?

[Answer] No, not for swindlers. We produce very few of these jewelry items, so few that they can be counted on the fingers of one's hands. And there are also only a few people who earn an average of 400, 500, or 800 rubles a month. They are the people who work in the North, at the BAM [Baykal-Amur Mainline]. In addition, there are people who work abroad. They also receive

higher wages. All these people are the ones for whom those commodities are intended. As for the people who get a large amount of money by dishonest labor, at the present time, as everyone knows, a procedure has been established according to which, when buying a commodity costing more than 10,000 rubles, it is necessary to submit a declaration about income.

[Question] Excerpt from a letter from reader Burtsev, in Leningrad. "I know that a machine tool used to be made at a certain plant in Moscow. It used to cost approximately 7000. Then digital program control was added onto it and the price rose to 30,000. Then a robot was added to the machine tool and the price of the machine tool went past 70,000. That is, the price increased ten-fold, while the productivity increased by 1.5 times. Consequently, without lifting a finger, the plant was able to deceive the government and report that it was working 10 times better than previously..."

[Answer] That is a well-known situation. It happened at the Krasnyy Proletariy Plant. The first price of machine tools with ChPU [digital program control] was even 50,000 there. Because the ChPU was expensive. Now that machine tool costs 31,000 rubles. It can be built into robotized systems and into lines which produce a large effect. Both for the national economy and for production. If you use that machine tool in two or three shifts, it justifies itself. Incidentally, the price of that machine tool currently is approximately at the world price level.

[Question] Hello, Anatoliy Nikolayevich. My name is Vasilii Nesterov. I'm an engineer by profession. Could you explain to me why imported items are so expensive in our country? I happened to be on official trips abroad, for example, in Canada, where blue jeans cost \$15-20, that is, approximately 15 rubles.

[Answer] Many people ask questions like this. Especially many radio "voices". They say that a person in America can buy a car after working so many months, but in the USSR it is necessary to four to five times longer. The price system in our country and abroad is different. In the United States, for example, no one sells products cheaper than the production cost. But we do. As a result, for example, we take in 50 billion rubles less from sales of meat and milk alone. And our commodity turnover is 340 billion. Where, then, are we supposed to get the funds? After all, we cannot ask America for credit in order to maintain our own low prices for foodstuffs. We get that money from our own resources. And so it turns out that we have higher prices for certain nonedible commodities, including imported ones.

[Question] But at such time do you orient yourself on the price at which you buy it abroad?

[Answer] No. We orient ourselves on the demand among the public, on the domestic market.

[Question] One more small question. In the newspapers I read that soon Cardin will be opening up a fashion store in the capital. Abroad a Cardin suit costs \$500. Does that mean that in our country it will cost the same as a Zhiguli?

[Answer] At that price, of course, no one would buy that suit. But two or three people together could buy one. Therefore we shall establish the prices in conformity both with the public's demand and their income.

[Question] Then you means that I will be able to go there and buy what I need?

[Answer] Yes, you will.

[Question] My name is Andrey Vasilyevich Shkrab. I'm over 50 years of age. I recall the postwar years. At that time the prices were reduced every year. But what is happening now? Color television sets are bulky and unreliable -- and a price of 100 rubles would be too much for them! Watches -- which are currently being produced in the millions -- ought to sell for 3 rubles each, but just try to buy one!

[Answer] I understand your question. Let's analyze it. Actually, from 1947 through 1953 the retail prices did go down annually. They were objective reasons for this. We emerged from the war with two price levels: there were commercial prices, which were very high, and there were state, retail, ration-card prices, which were not high. In 1947 a monetary reform was carried out. The ration-card system was abolished, and uniform prices were established, which were rather high. At that time industry was switching over from wartime production to the production of civilian output. Every year the quantity of commodities increased by a factor of 1.5, or even doubled. Therefore we could lower the prices every year. And so, in 1953 we brought them down almost to the level of the prewar prices. Starting in that yer we took a different course of raising the standard of living: prices stabilized, and we began to increase wages in a planned manner. That was economically necessary. In general, Andrey Vasilyevich, you do not have a completely correct idea about how prices are established. By your way of thinking, if we want to sell a television set for 100 rubles, or a watch for 5, that's all there is to it. But things are not that simple. It is necessary to proceed from the fact that society's wealth lies in its labor, its productive forces, and those commodities that it produces. There is nowhere else that we can get anything. No one is going to give us anything. And so we balance the bulk of commodities with that monetary income that society receives. I will tell you that a color television set for 100 rubles is unreal. We would simply be ruined that way. Because the production cost of a television receiver is about 500 rubles. As for the quality of certain commodities, I agree with you -- it's poor quality. And all of us are dissatisfied with this. Recently, as you know, a very serious decision was made with regard to this matter.

[Question] Hello, Anatoliy Nikolayevich! My name is Marina Mikhaylovna Budayeva. I'm calling you from Novokuznetsk. We are pleased with the price reduction. Thanks! I want to ask: why aren't felt boots available for sale here in Siberia?

[Answer] That's a very sore question. There's a shortage of felt boots.

[Question] I can understand that, but you would think that in Siberia...

[Answer] It is planned to increase their production, especially in children's sizes. I'll jot down your question and make a phone call to Minlegprom [Ministry of Light Industry] and to Mintorg [Ministry of Trade].

[Question] My name is Tatyana Aleksandrovna Yuryeva. Anatoliy Nikolayevich, let's resolve this task: my husband and I are young specialists and we each earn 130 rubles. We have a young child. My question is: how are people supposed to live honestly on money like this? This is when women's shoes cost 150 rubles, men's shoes cost 65, and slippers cost 65 rubles.

[Answer] A hundred thirty plus 130 equals 260. With money like that, three people can live honestly, but, of course, very modestly. By not buying shoes for 150 rubles. Those prices are for another category of the population, for those people who have more income.

[Question] But just add everything up: the television set, refrigerator, furniture -- we have to buy all of these things. And the prices of these things always have three zeroes...

[Answer] What can I tell you? In our country 60 percent of the families have an income of more than 100 rubles a person. But 40 percent of them are like you -- they earn less. This creates a very large and serious problem. It is problem number one for us. Industry is attempting to produce commodities that are more expensive and to reduce the production of cheap items. This is inadmissible and must be changed. We shall plan for the production of commodities with different prices, for different groups of the population. We shall monitor their fulfillment.

[Question] This is Tashkent calling! Hello, hello! I'm interested in the prices of gasoline. Forty kopecks a liter is very expensive!

[Answer] The prices of gasoline in our country are even somewhat lower than in other countries. For the time being, they will stay at that level.

[Question] This is Perm Oblast calling! My name is Oleg Yuryevich Shubin. Are there any plans for reducing the prices of radio and electronic equipment. A lot of people today cannot afford them.

[Answer] For the time being, it is very expensive for our industry to develop the element base -- semiconductors, etc. And there is another reason for the high price -- we make the apparatus in small consignments. When it is mass produced, the production costs will drop. But as for now...

[Question] Anatoliy Nikolayevich, this is Andrey Petrovich Ostapenko, calling from Kiev. What is the evaluation made of the work being done by the people who are eliminating the consequences of the accident at Chernobyl?

[Answer] They are doing an excellent job. Because the conditions there are emergency ones.

[Question] Anatoliy Nikolayevich, our time is running out. Could you answer two questions from KOMSOMOLSKAYA PRAVDA journalists?

[Answer] Certainly.

[Question] Per-diem payments during an official trip -- 2.60 rubles a day -- were established long ago by the 19 June 1940 Decree of USSR Sovnarkom [Council of People's Commissars]. Since that time, the standard of living has risen considerably. But the per-diem payments remain the same.

[Answer] It also seems to me that this amount is rather small now. Apparently the time has come to reconsider that standard amount.

[Question] And another question. Anatoliy Nikolayevich, could you please tell us whether you liked participating in our "Hot Line."

[Answer] Yes, very much, although I must admit that I was not too eager to come here.

[Question] Why is that?

[Answer] The questions that our committee is in charge of always cause a sharp reaction and sometimes it has been difficult to speak with your readers. Nevertheless I enjoyed our conversation today very much. Most of all because it was a frank one.

The "Hot Line" has ended, but the telephones are still ringing in the Blue Room of the editorial office. "I let the phone ring for a whole hour," A. Novoseltsev from Tallinn says, "but no one answered. Is it possible that the 'Hot Line' doesn't exist?" We report that the Yunost [Youth] radio station has prepared a broadcast. That broadcast will have also have questions that were not included in today's report. The broadcast will be aired on Radio Program I at 1715 hours on 17 August.

5075

CSO: 1827/148

CONSUMER SECTOR POLICY AND ECONOMICS

OFFICIAL REJECTIONS OF PROPOSAL FOR ARTELS LAMENTED

[Editorial Report] Moscow SOVETSKAYA ROSSIYA in Russian 3 August 1986 carries on page 2 a 2,500-word article by special correspondents S. Karkhanin and V. Kondakov under the heading "A Sensible Idea In the Trap of Inertia". The article laments Irkutsk officials' negative reaction to a reader's proposal to form an artel of skilled tradesmen to provide services currently offered by 'moonlighters'.

The reporters note that the unsatisfactory state of affairs with the public services sphere creates a paradoxical situation. Citizens who are "tired of waiting, wind up doing what has to be done themselves." "And," the commentary continues, "who needs this kind of lopsided service? The client does the work himself, and then his work is entered on the state plan fulfillment chart!" According to the article, the problem of providing satisfactory consumer services for the population of Irkutsk has "both social and political overtones which will largely determine whether or not people remain in the region."

Returning to the idea of forming an artel on a legal basis, the article states that "what appears obvious and simple to people with no preconceptions suddenly becomes cluttered with a mass of objections and reservations." These include reactions toward the competition that the artel would cause. One official comments: "But why should we create artels which will compete with state organizations?" Another concern expressed in conversations with officials, the article says that "with the present demand for apartment maintenance and repair work, an artel would rake in great amounts of money."

In conclusion, the report notes that "whether we like it or not, private repair work does occur because at present one cannot get by without it, and state organs find it more convenient and less trouble to simply look the other way." Officials agreed that the present situation must be changed, but no one attempted to support the proposal to form an artel, preferring to refer to "higher levels of authority." The attitude of Irkutsk officials clearly shows "how difficult it is to not just talk about restructuring but to actually put it into practice."

CSO: 1827/161

FOOD PROCESSING AND DISTRIBUTION

GOSAGROPROM OFFICIAL ON PROGRESS IN MEAT, DAIRY INDUSTRY

Moscow MYASNAYA INDUSTRIYA SSSR in Russian No 6, Jun 86 pp 1-6

[Article by V.I. Demin of the USSR State Agro-Industrial Committee: "Scientific and Technical Progress: Problems and Ways of Solving Them"]

[Text] In the CPSU Central Committee Political Report to the 27th Party Congress, a strategy of accelerating the country's socio-economic development on the basis of scientific and technical progress was defined. During three 5-year periods, radical technical reconstruction of the national economy is to be effected, completely transforming its material and technical base.

During the 15 forthcoming years, it is planned to double the country's production potential through the latter's high-quality renovation. It is intended to almost double the national income and to increase labor productivity by a factor of 2.3-2.5 on the basis of improving the equipment and technology as well as mobilizing all of the organizational, economic, and social growth factors.

In the struggle to implement the economic strategy, paramount significance is attached to the 12th 5-Year Plan. "The present 5-Year Plan," M.S. Gorbachev emphasized at a meeting with workers in the city of Togliatti, "is the most complex and even, in many respects, the most decisive of the three 5-year plans that are to be completed before the end of the century. Precisely it must lay a firm foundation for intensifying production on the basis of scientific and technical progress and create the reserve for a subsequent, more rapid forward movement along the entire economic and social development front."

The 27th CPSU Congress has set a problem of enormous importance before agro-industrial-complex workers: In short time periods, to achieve constant growth in agricultural production and the country's reliable supplying with food products. The party's current agrarian policy is aimed at solving this problem. Much is being done to build up the material and technical base of agriculture and agro-industrial-complex processing branches. The party congress, having outlined a program to solve the food problem, clearly defined ways for its implementation. Chief among these--production intensification based upon extensive introduction of new-generation equipment and fundamentally new technologies providing for the highest labor productivity and production efficiency and radical improvement in the quality of products being put out.

The great existing production potential in the agro-industrial complex, the favorable change in its development since the May 1982 and April 1985 CPSU Central Committee Plenums, and the management reorganization have created favorable preconditions for accelerating growth in the production of meat products, improving their quality, and satisfying the population's needs for food products and industry's needs for raw material.

The 27th CPSU Congress teaches critical re-evaluation of past development experience and profound analysis of our own mistakes, shortcomings, and various negative traits.

Many serious shortcomings are being tolerated in meat industry work. To date, existing reserves for increasing production effectiveness through reducing losses of raw material and more efficient use of it, especially its secondary resources, have not been brought into action. Hundreds of thousands of tons of category II by-products, blood and bone, are obtained annually at the industry's plants, of which only half goes into the production of food products. Because of insufficiently thorough processing of livestock raw material, the making of marketable products from it still remains low.

Substantial losses of meat resources are being tolerated in the refrigerators of meat industry plants.

The problem of comprehensive poultry processing is being solved poorly. In 1985, the proportion of cleaned poultry for the country as a whole amounted, in all, to 36 percent of overall poultry meat production. Extremely few products are put out in packaged-portion and packed form.

In a number of republics, krays, and oblasts, the work to increase the output of sausages and partially prepared meat foods enriched with protein components and with lowered fat content is being initiated slowly.

The technical level of production remains low. A number of technological processes is not mechanized and, as a result, manual labor predominates in many production operations.

One of the reasons for such a situation lies in the fact that the scientific research organizations--the VNIIMP [All-Union Scientific Research Institute of the Meat Industry], the "Complex" NPO [Scientific Production Association], the VNIKTikhodprom [All-Union Scientific Research and Technological Design Institute for the Refrigeration Industry], and the Ukrniimyasomolprom [Ukrainian Scientific Research Institute for the Ukrainian SSR Ministry of the Meat and Dairy Industry]--have not concentrated the scientists' strength upon solving the industry's main problems: comprehensive use of raw material and creation of fundamentally new wasteless and resource-saving technologies and equipment to permit maximum reduction of losses in the processing of livestock raw material and substantial increase of labor productivity.

The industry's production base has fallen behind modern requirements. In some regions of the country, the insufficient supplying of capacities for timely, comprehensive, and loss-free processing of livestock raw material is being felt keenly.

In a number of economic regions--the RSFSR non-Chernozem Zone, Siberia, the Far East, Kirghizia, and others--livestock is being transported over inordinately great distances, which leads to raw material losses.

Many of the indicated shortcomings were tolerated even in the first quarter of 1986. The Gosagroproms [State Agro-Industrial Committees] of the Russian Federation, Kirghizia, and Turkmenistan, having enough raw material, did not fulfill the plan in the production of canned meat, and those of Kazakhstan and Tajikistan--in the output of poultry meat in the cleaned form. The plants of Kazakhstan, Latvia, and Estonia did not provide for the shipping of canned meat and canned meat and vegetables in the established volumes, and in the Ukraine and Moldavia, these shipments were not arranged at all. In places, as before, proper attention was not devoted to comprehensive utilization of the raw material resources, including the output of sausages with category II by-products. The output and shipping volumes of low-quality products were still high. The Kalinin, Lipetsk, Zhitomir, Minsk, Borisov, and Pinsk Meat Combines made sausage goods of low quality.

The tasks set before the industry in the 12th 5-Year Plan are beyond all comparison with previous ones in their scales and complexity.

In accordance with 27th CPSU Congress decisions and the Basic Directions of USSR Economic and Social Development for the Years 1986-1990 and the Period to the Year 2000, it is expected to bring state purchase of livestock and poultry up to 22.9 million metric tons in the 12th 5-Year Plan, which is 23.6 percent more than in 1985. On the basis of this raw material, USSR Gosagroprom [State Agro-Industrial Committee] plants will produce 12.0 million metric tons of meat, including 1.3 million metric tons of cleaned poultry, 3.4 million metric tons of sausage goods, 1.4 billion [milliard] standard cans of canned meat, and 820,000 metric tons of dry animal feeds. The volume of marketable products will grow by 29 percent compared to 1985, and amount to 32 billion [milliard] rubles. The industry must attain substantial production volumes in the output of meat products in the packaged-portion and packed form--the making of packaged meat portions will increase 1.6-fold, partially prepared meat products 1.5-fold, and sausage goods 5.5-fold.

Production volumes will grow significantly for quick-frozen meat dishes with the trimmings, which will reach 35,000 metric tons in 1990, a volume 10 times as great as that in 1985.

Labor productivity must be increased by 25-28 percent.

These strenuous tasks pose a number of serious problems for the industry's workers, the solving of which must be undertaken immediately. First of all, this is a matter of substantially building up the industry's material and technical base and shifting it onto the intensive development track, accelerating scientific and technical progress, extensively introducing wasteless and resource-saving technologies, and improving the entire economic mechanism.

The CPSU Central Committee and USSR Council of Ministers have adopted a resolution about accelerating development of the material and technical base of agro-industrial-complex processing branches during the years 1986-1990.

The meat industry will receive significant acceleration. Over 3 billion [million] rubles in state capital investments, which amount is 1.7 times as much as in the 11th 5-Year Plan, are allocated for developing this important branch of the agro-industrial complex. On the strength of these funds, it is planned to construct and reconstruct more than 300 plants, and to carry out major measures in technical re-equipment, extensive introduction of new technology, and renovation of fixed capital. Here investment policy in the distribution of capital investments is changed fundamentally--Over 50 percent of the allocated funds will be directed, for the first time, into technical re-equipment and reconstruction of existing plants. Practice has shown that when priority attention is devoted to matters of technical re-equipment and reconstruction, the invested funds are recovered significantly faster than in the erection of new plants.

Through technical re-equipment of existing poultry shops in the meat industry's Belgorod Production Association in 1984 and 1985 with domestic production lines having productivities from 1,000 to 3,000 head of poultry per hour, the capacities for processing poultry were increased by 20 percent, the level of labor mechanization was raised, and meat quality was improved. The proportion of poultry-meat production in the cleaned form grew from 8 to 70 percent.

Growth in capacities by 10 metric tons per shift was effected without expansion of existing spaces, and 670,000 rubles were spent in the process. Construction of a new shop with the same capacity would have cost 2.5 million rubles.

To provide for the technical re-equipping of meat industry plants in the current 5-year plan, steps have been taken to increase the output of up-to-date equipment. The Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] and a number of other machine-building ministries have been charged with organizing the series output of 150 types of the most important kinds of new technological equipment, including 33 types of the highest productivity and increased complexity category. Simultaneously with this, steps have been taken to provide for deliveries of a substantial quantity of up-to-date equipment from CEMA member countries.

In the 12th 5-Year Plan, there will be delivered: from the VNR [Hungarian People's Republic], 340 heat chambers for cooking and smoking sausage goods; from the GDR, 300 injectors for salting smoked ham goods, 600 hydraulic stuffers

for sausage production, 125 machines for cutting frozen meat, 250 vacuum meat grinders, and 100 automatic lines for packing meat and partially prepared products in polymer [plastic] film; from the CSSR, 278 continuous-action vacuum injectors, 50 lines for producing cooked sausages, with portioning and packing of the prepared products, 113 sets of equipment for making bone meal, and other items.

It is planned to allocate 1.5 times as much equipment as during the years of the 11th 5-Year Plan. This will permit making the assets part of fixed capital significantly more modern and substantially raising the technical level of meat-processing production.

Thanks to an increase in production potential because of the capital investments and material and technical resources being allocated, meat industry plants will be able, by the end of the 12th 5-Year Plan, to increase capacities for producing meat by 4,560 metric tons, sausage goods by 500 metric tons, and dry animal feeds by 280 metric tons per shift, and to enlarge the holding capacities of refrigerators by 110,000 metric tons of simultaneous storage.

The problems of better utilizing raw material, its more thorough processing, and creating new wasteless and resource-saving technologies and up-to-date machinery can be solved successfully given the extensive introduction of goal-oriented comprehensive scientific and technical programs for the years 1986-1990 and to the year 2000.

The industry's specialists and scientists have developed the all-union scientific and technical program "Food Products," the main tasks of which have been approved by the USSR State Committee for Science and Technology and the USSR Gosplan [State Planning Committee], as well as the industry's scientific and technical programs "Meat," "Poultry," and "Cold."

Program "Meat" is directed at the creation and mastery of new technological processes and equipment for comprehensive raw-material processing and meat-products production, including the use of aromatizers and protein components. Enlarging the assortment of meat products and sausage goods with enhanced biological value (partially prepared products, cooked and semismoked sausage goods) is intended through the use of texturized proteins. A number of works foresee the creation and mastery of technological equipment with microprocessor and computer technology, and the modernization of equipment being series produced (heat chambers, automatic smoke chambers).

In order to increase labor productivity in the meat industry, a series of organizational and scientific and technical measures has to be implemented and, first of all, presupposing substantial replacement of the machinery pool, the industry's fitting out with modern, highly productive equipment having the maximum degree of automation has to be ensured.

In animal fat production, new production lines and equipment, which will provide for mechanization and partial automation of the most labor-intensive

processes, already have been developed for initial livestock processing, where the proportion of distasteful manual labor is still high. Production lines for processing cattle with the productivity of 100 head per hour, and pigs with the productivity of 240 head per hour are among such machinery. New units have been developed for canning pigskins.

Mechanized flow production lines with productivities of 1.0 and 2.5 metric tons of raw material per hour will find extensive introduction for increasing the production of dry animal feeds, improving the quality of these, and reducing the labor intensiveness of the process. A production line for dry animal feeds, with the productivity of 5 metric tons of raw material per hour, will be tested during the current year at the Leningrad Meat Combine on the basis of a purchased license.

Vacuum equipment for producing sausage goods will receive extensive application in meat-processing production. Its series production will be mastered, including: meat mincers with 350- and 500-liter bowl capacities, meat grinders with the productivity of 3 metric tons per hour, injectors with an attachment for applying clips, stuffing mixers, kneaders, and vibration mixers.

Automatic rotary and rotary conveyer production lines, which permit substantially increasing labor productivity and reducing production area, are of great interest for the technical re-equipping of sausage production. At the present time, creation of an experimental model of a rotary line for making frankfurters is being completed. Its testing will be conducted in 1986. It is planned to manufacture 100 such lines during the current 5-year plan. Proposals have been conveyed to the machine builders for the creation of rotary conveyer lines for producing cooked sausages, partially prepared meat products, meat dumplings, and cooked cutlets.

In order to increase the output of packaged-portion products, it is planned to create lines with the productivity of 1,000 kilograms per hour for producing food fats in small packages and packs, lines for packing boneless meat and meat products weighing 500 and 1,000 grams in heat-shrink plastic film, mechanized universal flow lines with an electronic weighing and portioning device and productivities of 500 and 1,000 kilograms per hour for producing and packing meat dumplings and meatballs, as well as mechanized flow lines for producing frozen pressed-meat partially prepared products.

A new technology for packing canned goods in a container made of lamister [not further identified] will be introduced in meat canning production. The Ministry of Machine Building for Light and Food Industry and Household Appliances must master series production of equipment for this purpose in 1988.

Major significance is attached to creating and mastering the technology and equipment for producing texturized proteins and protein mass. The technology for producing partially prepared meat products and combination sausage goods using these proteins will be mastered in 1988. In sausage production, where uncoordinated equipment is being used for the most part, it is planned to start

introducing qualitatively new production lines with the productivity of 10 metric tons of sausages per shift. This will permit efficiently using meat proteins, reducing losses, and increasing keeping times. A prototype domestic line should be tested in 1986.

Creating and introducing such equipment will provide for significant growth in labor productivity, reduction of capital expenditures, and increase in the production volume of the products enjoying increased popular demand.

By the program as a whole, it is expected to create and master 28 technological processes, 34 types of new equipment, and 42 kinds of new high-quality products, which will promote the saving of 140 million rubles from reduction in production cost of the products being put out, the increasing of meat resources by 135,000 metric tons, and the theoretical releasing of 7,700 persons.

Program "Poultry" will permit sharply raising the poultry-processing sector's technical level on the basis of comprehensive development and introduction of means for mechanization, automation, and progressive technological processes. Within its framework, the creation of new low-waste and wasteless technological processes is planned, as well as equipment for producing partially prepared and prepared products through efficient use of the raw material and its components, refinement of technology, and the introduction of mechanization and automation means.

The work, included in program "Poultry," to create and master production of an edible frankfurter casing from collagenous dispersions and production of gelatin with predetermined properties has major national economic significance.

Technical re-equipping of the poultry branch will be carried out on the basis of the production lines being created in accordance with program "Poultry" for processing broilers, and having productivities of 3,000 and 6,000 head per hour, which will permit bringing the level of mechanization and automation up to 75 percent. The lines will be equipped with overhead space conveyers having stepless control and speed synchronization, automatic devices for moving poultry carcasses from conveyor to conveyor, automatic manipulators for removing the internal organs, equipment for water-aerosol [gidroaerozolnoye] cooling of the carcasses, and units for packing them in plastic film with weighing and gluing on of price tags. This will permit doubling labor productivity in the branch.

As a result of carrying out the program, 14 technological processes, 15 types of new equipment, and 9 kinds of new products will be developed and mastered, a saving of 39 million rubles will be obtained from reducing production costs, meat resources will be increased by 40,000 metric tons, and, theoretically, 9,700 persons will be released.

Program "Cold" envisages solving the problems associated with improving technological processes through the use of man-made coldness. Primary attention is devoted to introducing intensive cooling and freezing methods for meat and

meat products and improving their storage conditions, which will permit substantially reducing losses from products' drying up in refrigerators. Industrial mastery of progressive technologies for quick-frozen prepared dishes and partially prepared meat products on extensive production scales, the creation of equipment for mechanizing PRTS-work [not further identified] in refrigerators, automating refrigeration plants, and converting the latter to periodic servicing, and the economizing of energy resources also are planned by the program. Implementing program "Cold" will permit saving 62 million rubles from reducing the production costs of products being put out, saving 420 million kilowatt-hours of electricity, and, theoretically, releasing about 7,000 persons.

In order to concentrate the industry's science forces in the high-priority directions, create favorable conditions for broadening the scope of scientific and technical developments, and expedite realization of the latter, the Meat and Dairy Industry Scientific and Technical Center, to which are subordinate the scientific production associations, the industry's scientific research institutes, the special design bureau for control systems, and the "Soyuzmyasomolmontazh" ["All-Union Meat and Dairy Industry Installation"] Trust, with 17 installation and adjustment administrations, has been established under the USSR Gosagroprom. The center's main task is organizing and carrying out work through the complete cycle, "science-machinery-production," through development and extensive introduction of modern wasteless technologies with more thorough, comprehensive, and efficient processing of livestock raw material, and a new generation of machines, which will permit increasing labor productivity by several orders of magnitude and intensifying production, and, on this basis, accelerating scientific and technical progress in the industry.

The work to create a network of continuously operating test bases and supporting plants in the meat industry, which will permit reducing the preparation and testing times for prototypes of newly created equipment and increasing the quality and reliability of equipment being put out serially, should be stepped up. The creation of a system of machines and equipment for the meat industry, which has been unduly dragged out, should be completed in the current year.

Besides the industry's scientific research institutes, over 50 scientific research organizations of the USSR Academy of Sciences, the union republic academies of sciences, and other national economy sectors have been called upon to carry out tasks of the programs.

VUZ [Higher educational institution] science must play a large part in accelerating the industry's scientific and technical progress. The Moscow Technological Institute of the Meat and Dairy Industry developed a number of technologies during the 11th 5-Year Plan for producing combination meat products, taking effective methods of structurizing various protein compounds as the starting point. The industry produced about 60,000 metric tons of such goods. The economic effect [benefit] from introducing these technologies amounts to about 240 rubles per metric ton of sausage goods.

MTIMMP [Moscow Technological Institute of the Meat and Dairy Industry] scientists are participating in the creation of equipment for intensive meat thawing by the SVCh-energy [microwave-energy] method, dry curing of thermolabile materials, and sterilization of meat products. Exploratory work on creating and using robot equipment [robototekhnika] for the initial processing of cattle is being done at the institute. In the years 1986 to 1990 and to the year 2000, the range of scientific developments must be increased substantially, and in this, the USSR Gosagroprom will provide appropriate assistance to the institute.

To accelerate scientific and technical progress, a turning point in the industry's problems should be brought about more vigorously, and, at the same time, it is essential that production show the maximum receptivity to achievements of science and technology.

The scientists of the All-Union Scientific Research Institute of the Meat Industry, the "Complex" Scientific Production Association, the All-Union Scientific Research and Technological Design Institute for the Refrigeration Industry, the Ukrainian Scientific Research Institute for the Ukrainian SSR Ministry of the Meat and Dairy Industry, etc., must carry out the tasks of all the goal-oriented comprehensive programs in timely fashion, ensuring the high scientific and technical level and extensive introduction into production of the latter. There can be an effective return from implementing the comprehensive programs only if those in the industry properly engage in the technical re-equipping of production, and prepare the production areas and their engineering support in advance in order to expedite the introduction of scientific and technical developments.

One of the basic problems confronting the meat industry is eliminating the loss of livestock products in all stages of their transporting, processing, and storing.

To organize timely delivery and processing of livestock raw material in the 12th 5-Year Plan, it is intended to complete the transition to accepting livestock and poultry directly on the farms and their centralized removal. Implementing these measures will, on the expectation of 1990 volume, provide for reducing costs in agriculture by a sum exceeding 250 million rubles, and will improve the quality of raw material arriving for processing.

The construction of processing plants will be done, as a rule, as close as possible to places of livestock raw-material production, which will permit reducing the long-distance transporting of such raw material in a number of the country's regions.

In the 12th 5-Year Plan, great attention will be devoted to matters of the thorough and comprehensive processing of livestock raw material, and especially to the fuller utilization of its secondary resources (bone, blood, category II by-products), in producing meat products.

Great tasks face the meat industry in fuller utilizing for food purposes the bone resources being obtained in the processing of livestock and meat, which will amount to over a million metric tons in 1990. It is planned that about 840,000 metric tons, or 78 percent, of the bone will be used for food purposes. The creation and introduction, based on domestic and foreign experience, of a wasteless technology for processing bone, with the obtaining of edible fat and protein and mineral products, are of particular interest. In 1990, it is planned to produce 4,000 metric tons of dry bouillon with spices.

For fuller utilizing blood components for food purposes, the introduction of a technology for blood clarification and production is envisaged in the industry.

Creation of a technology and equipment using emulsification and ultrafiltration methods is planned, which will permit fully utilizing the blood of livestock intended for slaughter for food purposes. Edible blood resources amount to 200,000-250,000 metric tons per annum, and their full utilization for producing food products will permit obtaining up to 40,000 metric tons of full-value animal protein per year; that is, 250,000 tons of meat products.

A significant reserve for increasing production efficiency is the industry's processing of category II by-products. Making meat goods out of this raw material provides an economic benefit of about 100 rubles per metric ton, as compared with sale of the by-products in natural form. In 1990, it is planned to direct 510,000 metric tons of category II by-products into processing, which is more than in 1985 by 35,000 metric tons.

There are large reserves for reducing losses of livestock raw material in its processing stages, especially in refrigeration treatment processes and storage.

The paramount task of industry specialists is maximum reduction of losses through converting plant refrigerators to intensive, resource-saving technologies.

All meat-industry refrigeration equipment will be subject to radical technical modernization in the current 5-year period. Intensive methods for refrigeration treatment of meat and meat products will be introduced on a wide scale, providing for the reduction of losses from drying up by 20-30 percent in comparison with existing standards. Refrigeration production will begin to master new equipment: helical ammonia [ammonia-coil] units with automatic refrigeration capacity control, efficient oil eliminators, air and evaporation condensers, new generations of air coolers, units for recovering refrigerating oils, and new types of quick-freezing equipment.

In the meat industry during the 12th 5-Year Plan, a fundamentally new technology for thawing sectioned meat using microwave energy will receive wide distribution. Series production of equipment for this purpose will begin in 1986.

Much work will be done to put the thermal-insulation protective structures of refrigerators into proper condition using an effective new insulating material--ripor [not further identified].

During the years of the 12th 5-Year Plan, it is expected to reduce the losses of meat in refrigerators by 73,000-75,000 metric tons.

It is essential to put matters of fundamental quality improvement in the products being put out in one of the foremost positions in carrying out plans of the 12th 5-Year Plan. To solve this problem, it is necessary to develop and master a technology of producing aroma-enhancing additives from domestic raw material, use a viscous casing for sausage goods, and enrich the latter with protein components of increased biological value. An important condition for guaranteed output of high-quality products must be the introduction in meat industry plants of automated technological-process management systems, and the equipping of these with control and regulating instruments.

In this period, work will be done to increase the production volumes of sausage goods and partially prepared products enriched with protein components. Overall, the production of sausage goods of enhanced food and biological value will increase in 1990 to 1.25 million metric tons, or by 16 percent over that in 1985. In the current 5-year plan, the industry's output of sausages with a predetermined composition in protein, fat, and moisture will be mastered, which will provide for reducing the consumption of meat raw material per metric ton. By the end of the 12th 5-Year Plan, 40,000 metric tons of such products will be made.

It is essential to attach the proper significance to mastering the technology of producing sausage goods from freshly killed meat, which will increase their output by 5 percent in comparison with the same products made from refrigerated meat. In 1990, it is planned to produce 100,000 metric tons of these sausages. Introducing the technology for producing smoked goods using brine enriched with vegetable proteins will yield an increase of 10 percent in the output of prepared products. The output of partially prepared combination chopped-products using proteins, vegetables, potatoes, and hulled grain will increase to 73,000 metric tons in 1990, compared with 32,000 metric tons in 1985. The production of combination sausage-stuffing using protein components will be expanded. The production of frozen meat dumplings with vegetables, potatoes, and other plant raw material will be increased substantially.

Implementing the measures to increase the making of food products through more thorough and comprehensive processing of livestock raw material and reducing losses in all stages of production and storage will permit increasing meat-product resources by 2.6 million metric tons in the 12th 5-Year Plan, releasing over 1.7 million metric tons of meat for sale to the population, and increasing the production of marketable products per metric ton of processed livestock.

Carrying out the tasks set by the 27th CPSU Congress for accelerating the country's socio-economic development demands decisive progress in improving the activity of agro-industrial-complex plants and organizations, improvement of the entire economic mechanism in this important national economy sector, expansion of the independence and increase in the responsibility for their activity's results of kolkhozes, sovkhoses, and processing plants.

The CPSU Central Committee and USSR Council of Ministers decree "On Further Improving the Economic Mechanism of Management in the Country's Agro-Industrial Complex" is aimed at resolving these matters.

Use of the favorable new management conditions inevitably will express itself in significant increase in the return from created potential and allocated resources, acceleration of production growth rates, and enhancement of product quality, which will be a worthy contribution to the implementation of 27th CPSU Congress decisions and further improvement of the Soviet people's well-being.

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FOOD PROCESSING AND DISTRIBUTION

DEALERS' ROLE IN MARKETPLACE HIT

1.



2.

С участка привезла она
излишки
Да перекупщик
ходу не дает.

Рисунки Ю. Черепанова.

Ловяк на рынке делает
делишки —
Излишки с крупным
«лишком» продает.

3.

Стихи Ник. Энтелиса.

Moscow PRAVDA in Russian 31 Jul 86 p 3

1. Marketplace

2. Dealer (one who buys for resale)

3. She's brought in surplus from the field,
But the dealer won't give her a chance:
The clever fellow does his dealings at the marketplace,
And sells the surplus at a fat profit.

Drawing by Yu. Cherepanov Verse by Nik. Entelis

FOOD PROCESSING AND DISTRIBUTION

EFFORT TO MODERNIZE PUBLIC CATERING FACILITIES WITNESSED

Moscow IZVESTIYA in Russian 26 Jul 86 p 2

[Article by Special Correspondent Ye. Vostrukhov in Riga and Moscow, under the heading: "In the Wake of Progressive Experience": "Let's Get Down to Business: Preparations Begun for Serial Production of a Complex of Automated Lunch Rooms"]

[Text] A new lunch room has been in operation for two years now at the Riga VEF [Valsts Electrotechnical Factory] imeni V.I. Lenin. The ongoing experiment is of principal significance for public catering throughout the country. It is opening great possibilities for industrialization of catering at our plants and factories, for lightening the workload and increasing labor productivity of all workers in the branch without exception.

January issues of IZVESTIYA carried news about the benefits to the citizens of Riga of the innovations: "An Invitation to the Table" (No 18); and "Everyone is in Favor; Who is Opposed?" (No 19). The articles stressed that it is, of course, not easy to "duplicate" the VEF lunch room experience: one has to organize serial production of special conveyers, automatic washing machines, special trays, and microprocessor technology. Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] itself does not have the capacity, which is the basis for involving other "capable" ministries in the new business. Additional measures were proposed in the newspaper articles to solve the inter-branch problem.

The newspaper articles did not go unnoticed. Here's what was reported to the editors from USSR Gosplan:

"A group of specialists from Gosplan, USSR Mintorg [Ministry of Trade], Minlegpishchemash, and Minpribor [Ministry of Instrument Making, Automation Equipment, and Control Systems] thoroughly familiarized themselves with the organization for catering at VEF.

"USSR Mintorg was commissioned to study the work experience of the catering combine at the VEF Association and determine methods for introducing the experience elsewhere; prior to 1 October 1986 to provide the developing ministries the initial requirements for working up a complex of technological-trade equipment as well as computer equipment, means of transport, and janitorial machines; to work up a standard plan for a public catering combine using the new methods, and to identify specific enterprises for conducting

tests of the new equipment in 1988; and to provide, upon order from the industrial enterprises, workups of planning and budgeting documentation for the construction, reconstruction or technical reequipment of lunch rooms with the indicated complex of equipment.

"Minlegpishchemash, Mintyazhmash [Ministry of Heavy and Transport Machine Building], Minstroydormash [Ministry of Construction, Road, and Municipal Machine Building] and Minpribor have been commissioned to prepare prior to 1 January 1987, on the basis of the requirements put forth by Mintorg USSR, technical tasks for developing a complex of machines and equipment; to complete in 1987-1988 the development, manufacturing and testing on an interdepartmental basis, of experimental models of new types of equipment and machines for public catering enterprises."

"The Gosplan decision is extremely significant," says USSR Deputy Trade Minister F. Marchuk. "It opens the way for serial production of the new equipment. The new complex of machines for public catering will be designed and developed on the basis of the VEF experience. The specific terms and stages of the forthcoming project have been determined, and the responsible executives have been named. VNIITorgmash [All Union Scientific Research Institute for Trade Machinery] of the Ministry of Machine Building for Light and Food Industry and Household Appliances has been confirmed as the head planning and designing organization. In order to more rapidly disseminate the Riga experience in public catering, USSR Gosplan considers it expedient to create at VNIITorgmash an interbranch ad hoc scientific-design staff made up of specialists from Minlegpishchemash, USSR Mintorg, Minprobor, Mintyazhmash, and Minpromsvyaz [Ministry of the Communications Equipment Industry] for developing new types of technological equipment, as well as various automated control systems and components of the VEF type. These are the main avenues for carrying out the important technical assignment which has been assigned to us."

"Our newspaper has reported that certain enterprises are themselves trying to manufacture equipment of the VEF type without waiting for centralized production. What should they do now: wait for the end of the five-year plan?"

"No. Of course not. Let them do it themselves. At the same time, Mintorg has designated 600 industrial enterprises where industrialization of food services will have the greatest economic effect. We must start with these. One hundred enterprises have already consented to reconstruct their lunch rooms. Many have started to do so, using the Riga experience. They've signed contracts with the Riga branch of Giprotorg [State Institute for Designing Trade and Public Catering Enterprises]. In spite of their heavy workload, specialists from this institute are working diligently. Today they are preparing reconstruction plans for food service combines in Minsk (where they plan to introduce automated systems at 17 lunch rooms), Dnepropetrovsk, Saratov, Leningrad, Kiev, and other cities. And for the country as a whole, the present five-year plan intends to use the experience of the VEF food service combine at 50 enterprises, with seating capacities of 450-1,200 persons. Many of these will go into operation as early as next year.

"In the matter of mass dissemination of the Riga experience we secured the support of the president of the USSR Academy of Sciences. As director of the Atomic Energy Institute imeni I.V. Kurchatov, Anatoliy Petrovich Aleksandrov requested that we include the institute among the public catering staffs and enterprises which are being redesigned according to the Riga example. Moreover, Academician Aleksandrov informed us that the Institute imeni Kurchatov is able to take part in the work of the ad hoc creative staff as the base organization for developing, introducing and testing the new complex of equipment for food service combines being set up on the VEF model; is even prepared to allocate the necessary for space for it--and will put at our disposal the specialists required. It goes without saying that we received this proposal gratefully."

"Tell us a little more about the tasks of the adhoc creative staff. Will it be starting its work soon?"

"According to the provisions of the agreement, such staffs are to be created for the purpose of solving future scientific-technical problems of an interbranch nature, and for putting the new equipment and technology on-line. They are being set up in accordance with a decision of the USSR State Committee on Science and Technology and the Academy of Sciences. Taking part in their work are representatives of interested ministries and departments. Our ministry selected the experienced specialists who are to take part in this work quite some time ago. We are waiting for applications from Minpribor, Mintyazhmash and Minstroydormash. The VNIITorgmash Institute will be coordinating the activities of the creative staff. But without waiting for the official decision on its creation, Mintorg has taken measures to establish working contacts with the partner ministries. Our common task is to reduce to the maximum the time periods for preparing the technical tasks for developing the new complex of machinery and equipment. In order to save time in preparing the documentation, we have proposed that our partners from the other departments study the technical solutions implemented in the equipment which is in operation at VEF; that is, to select everything which could be used in a typical plan. Official documents and records of the acceptance commission, approved by the ministries, could serve as the initial data base for working out the technical tasks. Thus, instead of requiring several months, the developers could resolve this question in a week or two. And this means that they could still prepare the technical task during the current year. But, unfortunately, thus far almost none of the partners has supported us on specific matters. We are carrying on bureaucratic correspondence and are wasting time."

We spoke with Gennadiy Ivanovich Saltykov, chief of the new technology department at the Main Administration for Science and Technology at USSR Mintorg, on the eve of his departure for Riga. A group of trade specialists traveled to VEF in order to assemble the initial requirements for drawing up a design and had been counting on help from the people in Riga. In early June Mintorg appealed to the administrators of four ministries with a proposal to save time on assembling the initial data base. The client requested that Minlegpishchemash commission the leading developer--VNIITorgmash--to prepare a program of acceptance tests on the VEF complex, and to set up a commission whose members include representatives of all the departments taking part in manufacturing the equipment. No one even responded to this proposal--not even Minlegpishchemash.

"In February we sent out to the ministries a draft program for work on manufacturing the most important kinds of equipment for the new food service combines," said Saltykov. "We suggested time periods for manufacturing, for acceptance of experimental models, and for the start of serial production; and suggested the output volume for the current five-year plan. Only one responded positively--the Ministry of Light Industry. It is prepared to take up production of special plates for the trays..."

"Minpribor sent its reply; but actually it was a bureaucratic response. N. Gorelkov, deputy chief of the Main Scientific-Technical Administration turned down the program for joint operations, explaining that their branch does not produce the equipment and instruments required for an automated lunch room; and therefore, he says, either make use of the equipment which is already in serial production at the plants...or, count Minpribor out of the interdepartmental program. At this ministry they literally refuse to understand that it is a question of developing and putting on-line principally new technology for public catering, which is extremely important to the reconstruction of that branch!"

"Deputy Minister of Heavy and Transport Machine Building V. Aleksandrov and Deputy Minister of Construction, Road and Municipal Machine Building Ye. Spiridonov were unable to tell us anything specific about what their ministries were prepared to do to carry out the assignment of manufacturing equipment for the new food service combines. It's as if USSR Gosplan had not assigned them the task."

"As before the leading executor of the task--USSR Minlegpishchemash--feels no discomfort for the success of the business which has been started. The machine builders have become accustomed to complaining about the lack of equipment furnished to their branch, and for the lack of capacities for producing trade equipment. But here they have been offered a splendid opportunity to make use of the potential of other branches. However, in these opportunities they must deal with a group, and you can't accomplish anything by sitting down on the job. Minlegpishchemash was not even able to quickly prepare the methodology for acceptance tests for the equipment in operation at VEF; nor were they able to assemble an acceptance commission. Deputy Minister Yu. Rozov answered the question, why are the machine-builders going so slowly, as follows: 'I don't know what's going on yet. I've only been working here for a short time. Ask VNIItorgmash.' And at the "leading" institute they replied, 'We have chosen a supervisor for the ad hoc creative staff. Now we are waiting for an official decision on setting it up. When that will take place, we don't know...'"

And that is the kind of temporizing, and openly passive position of the chief developer. What kind of decisions are still needed in order for him to get moving and get into action?

is altogether possible to prepare the initial planning documentation without waiting for the formation of the ad hoc creative staff--USSR Mintorg taken the proper approach. Right now it is mandatory that operations connected with setting up the new automated lunch rooms be included in next year's plan for all the ministry-developers."

They may still hope that those taking part in this important work finally find a common language, and that the periods for implementing the plans defined by USSR Gosplan be strictly adhered to. By the end of the five-year plan the nation's food service organizations must receive serially produced models of equipment complexes for principally new lunch rooms.

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